

City of Hickory North Carolina



**Fiscal Year 2017-2018
Adopted Budget**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Hickory
North Carolina**

For the Fiscal Year Beginning

July 1, 2016

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget presentation to the City of Hickory for its annual budget for the fiscal year beginning July 1, 2016.

In order to receive this award a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Hickory City Council



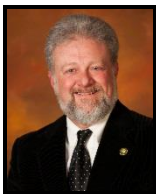
Mayor – Jeff Cline



Ward 1 – Brad Lail



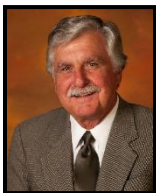
Ward 2 – Vernon Tarlton- Mayor Pro Tem



Ward 3 – Danny Seaver



Ward 4 – Hank Guess



Ward 5 – David Zagaroli



Ward 6 – Jill Patton

City of Hickory Adopted Budget



Fiscal Year
July 1, 2017 – June 30, 2018



To deliver high quality services through excellent and ethical coworkers focused on innovation, communication, and customer service.

City Administration

City Manager	Warren Wood
Assistant City Manager/CFO	Rodney Miller
Assistant City Manager	Andrea Surratt
Airport Manager	Terry Clark
Communications and Marketing Manager	Dana Kaminske
Deputy City Attorney	Arnita Dula
Finance Officer	Melissa Miller
Fire Chief	Fred Hollar
Human Resources Director	Claudia Main
Information Technology Manager	Mike Woods
Library Director	Sarah Greene
Parks and Recreation Director	Mack McLeod
Planning Director	Brian Frazier
Police Chief	Thurman Whisnant
Public Services Director	Kevin Greer

Introduction

From the Council and staff of the City of Hickory, welcome! The pages in this document represent our plans to utilize the City's resources to continue a quality of life that is safe, clean, prosperous, and enjoyable. Hickory is our home, and we take pride in having the opportunity to improve the City through our professional lives every day. We are pleased that by reading through this document you share our desire to enhance one of the most vibrant cities in the nation. We hope that readers at all levels of budget experience will find this document to be an informative presentation of the challenges and opportunities that face the City of Hickory.



Mayor, City Council, City Manager, and City Attorney

Municipal budgets can be complex and confusing. Discussions often present the same information from more than one perspective. Technical terms like “Unrestricted Intergovernmental Revenue,” for example, can also be confusing, so this document attempts to define and clarify terms wherever necessary. Should it fail to do so, please contact the City Manager’s Office at (828)323-7412. Please note, however, that the City of Hickory’s budget document emphasizes functional areas of City responsibilities (e.g., Public Safety, Transportation), and does not isolate organizational units or account groupings independently. While the document may present and discuss several pictures of the same budget, centering the discussion on these major themes (functions) facilitates budget discussion at a much broader level.

The layout of the document is intended to take the reader from the broadest budget presentations (trends, consolidated totals, etc.) to the more specific budget presentations (individual department budgets, specific projects, etc.). Realizing that information needs are different for every reader, the document is divided into sections to provide easy “flip-to” access.

Introduction



To present a complete picture of the City's finances and spending plans for FY 2017-18, this detailed Budget Document is organized into the following sections:

Table of Contents: The first tab in the document, the Table of Contents serves to direct the reader to specific information in the individual sections.

City Manager's Message: The City Manager discusses the major issues that affect City operations. In essence, the City Manager defines the costs of the issues facing the City (expenditures) and proposes the resources (revenues) to apply to each issue.

Budget Overview: Fund and functional area highlights are outlined as well as personnel, operational and capital summary totals.

Budget Ordinance: The actual legally binding ordinance that establishes the new annual budget.

City Council Priorities and Action Plan: Council's priorities for the next fiscal year are established. Fiscal management policies are also presented, including modifications for the new year.

Budget Guide: How does the City develop its budget document, and what do all the pages of numbers and tables mean? This section dissects the structure of the budget and explains the relationships between its many facets. We recommend that the novice reader start here to gain an understanding of the budget.

Consolidated Budget Summary: The document begins to evaluate the numbers that have been articulated in the *City Manager's Message* and officially proposed in the *Budget Ordinance*. A context for the budget begins to develop as it is related to budgets of previous years. Consolidated summaries, as well as the detail underlying budget decisions, focus on the premises used to develop the budget. This section presents trends and assumptions for revenues and expenditures, as well as discussions of fund balance projections and personnel projections.

Other Funds: This section describes the Community Development Block Grant (CDBG) entitlement funding awarded to the City of Hickory by the Federal Department of Housing and Urban Development.

Capital Improvements/Grant Projects: This section outlines the 5-Year Capital Improvement Plan (CIP), which is a multi-year financial plan for the purchase or construction of capital assets.

Debt Service: The City's debt position is discussed with projections for future debt needs.

Five Year Financial Forecast: What are the assumptions that will guide the decision-making process in the coming years? Forecasts for expenditures and revenues establish the parameters for budgets for the next five years

Performance Measurement: A feature section that highlights the results of the performance and cost data for those City departments participating in the North Carolina Performance Measurement Project.

Supplementary Information: Find background information about the City of Hickory in this section. Included are demographic, geographic, historical, and statistical information, as well as the City's pay plan.

Budget Glossary: Definitions of terms used in the document. Most acronyms and technical terms are defined when they first appear in the document, but some are defined in this section to provide needed explanations.

City of Hickory
Department Organizational Chart

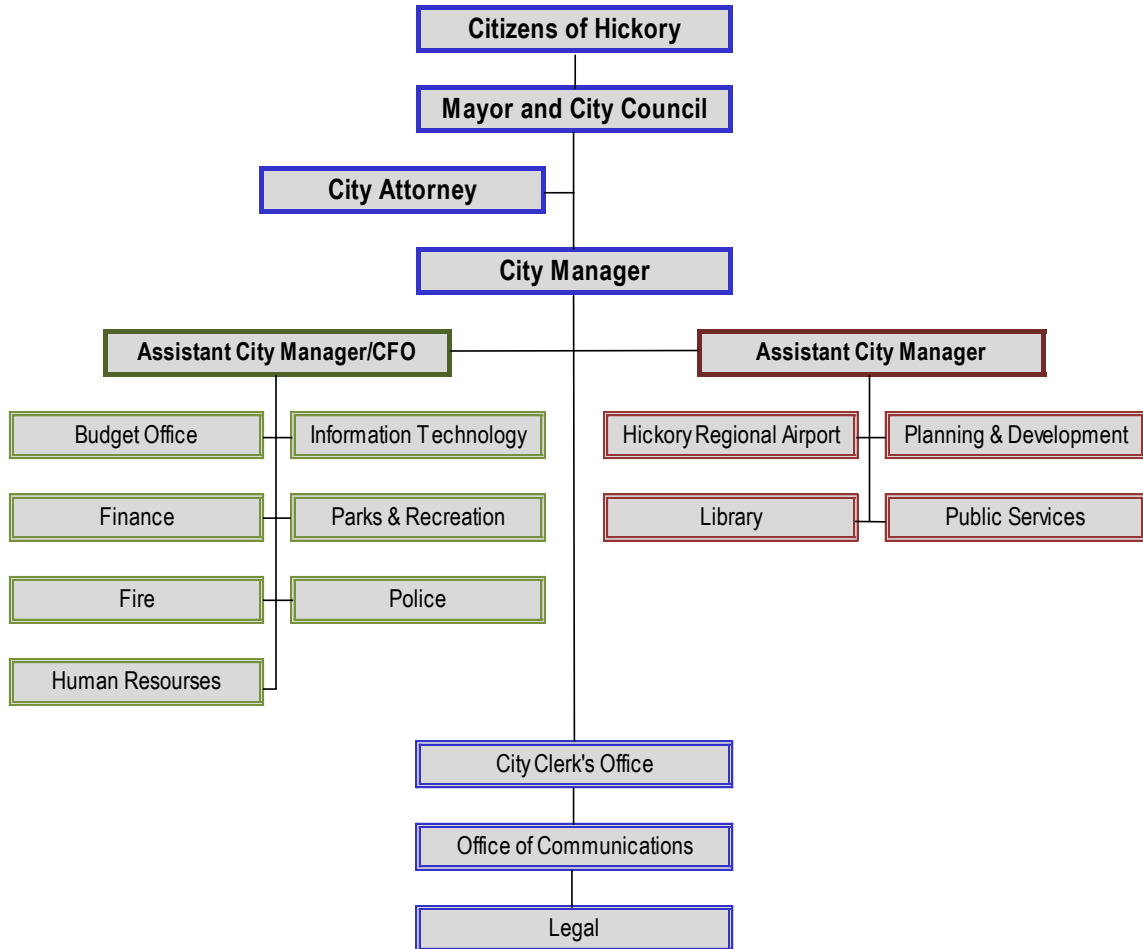


Table of Contents



Introduction	i
Organizational Chart	iv
City Manager's Message	1
Budget Overview	3
Adopted Budget Overview	3
Fund Balances	3
Tax Base and Rate	3
Water and Sewer Rates	3
Expenditures by Functional Area	5
Master Plans and City Initiatives	7
Budget Ordinance	10
City Council Priorities and Action Plan	15
City Council Financial Policies	20
Budget Guide	23
Budget Development Calendar	24
Budget Planning	26
Budget Format: The Basics	29
Budget Format: The Specifics	32
Consolidated Budget Summary	37
Revenue Assumptions	37
Consolidated Revenues	41
Consolidated Expenditures	42
Functional Expenditure Trend Summary	43
Consolidated Fund Balance Discussion	48
Staffing Analysis	49
About City Services	51
General Fund	58
Revenue and Expenditure Summary	59
General Fund Balance	60
Hickory City Council	61
City Manager's Office	63
Communications Office	65
Risk Management	67
Budget Office	69
Human Resources	71
Finance Department	73
City Clerk's Office	75
Information Technology Department	77
Legal Department	79
Engineering Division	81
Planning and Development Department	83
Police Department	85
District Court	87
Fire Department	89
Public Services: Building Services Division	91
Public Services: Central Services Division	93
Public Services: Traffic Division	95
Public Services: Street Division	97
Public Services: Landscape Services Division	99
Parks and Recreation Department	101
Parks and Recreation Department: Parks Maintenance Division	103
Parks and Recreation Department: L.P. Frans Stadium	105
Public Library Department	107
City Hall/Public Buildings	109

Table of Contents



Board and Agency Funding	111
General Fund Debt Service	112
Transfers/Other Financing Uses	113
Enterprise Fund	114
Revenue and Expenditure Summary	115
Water and Sewer Fund	116
Public Utilities Administration	117
Utilities Collection Division	119
Henry Fork Plant Division	121
Northeast Plant Division	123
Water Plant Division	125
Pretreatment/Lab Division	127
Distribution Division	129
Sludge Composting Fund	131
Sludge Composting Division	132
Stormwater Fund.....	134
Stormwater Division	135
Transportation Fund	136
Airport Division.....	137
Fixed Based Operations Division	139
Solid Waste Fund	141
Recycling Division	142
Sanitation Division	144
Commercial Bulk Services Division	146
Board and Agency Funding	148
Enterprise Fund Debt Service	149
Transfers/Other Financing Uses	150
Other Funds	151
Insurance Fund	152
Capital Reserve Fund	153
Fleet Maintenance Fund	154
Fleet Maintenance Division	155
Community Development Block Grant	157
Capital Improvement/Grant Projects	160
Debt Service	182
Five Year Financial Forecast	186
Performance Measurement	203
Supplementary Information	213
History	213
Demographic Information	214
Geographic Characteristics	215
Population/Milestones	216
Awards and Recognitions	217
Statistical Data	222
Classifications and Pay Plan	225
Budget Glossary	229



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Office of the City Manager

May 16, 2017

Members of the City Council
Hickory, North Carolina

Dear Members of City Council:

Pursuant to Section 159-11 of the North Carolina General Statutes, I am pleased to present the Recommended City Budget for FY2017-2018 for your review and consideration. The \$95,696,964 annual spending plan is balanced and prepared in accordance with generally accepted budgeting standards.

The General Fund budget is recommended at \$49,442,501, a 2.9% increase over the current year. The property tax rate remains at \$56.65 cents per \$100 and no new positions are recommended. A 3% or 2% (depending on performance) annual increase is recommended for full-time City coworkers. There are some significant adjustments recommended for the City's health insurance program as our claims continue to outpace the revenues supporting the program. The City will increase its contribution to the plan by approximately \$200,000 and I have recommended that those employees that choose a PPO plan (with copays) will pay \$50 per month towards their health insurance coverage. The city's contribution will be \$485 per employee per month. The premiums for the HSA plan (Health Savings Account) will be fully subsidized by the City as more costs are borne by the employee.

The Water and Sewer Fund is proposed at \$24,938,142, a (.1%) decrease from the prior year. Consistent with City Council Policy, utility rates are increased by the CPI along with a maintenance fee for water/sewer infrastructure which totals 1.7% to our customers. Two new positions are included in the budget for FY 2017-2018, consisting of a Maintenance Mechanic and Pretreatment/Sample Technician as development continues to occur in the southern end of Catawba County.

With the addition of new 96 gallon roll-out recycling containers in 2016, recycling efforts have significantly increased the volume and number of recyclable items. Continuing an effort to promote self-sufficiency, the monthly sanitation rate to our citizens is recommended to increase by \$1 per month from \$19.50 to \$20.50, which remains below many of our peers statewide, resulting in the Solid Waste Fund being 90.4% self-supporting next year.

The 42 member bond commission completed their initial work to determine the scope of projects to be included in the \$40 million bond package. The second phase of their work has commenced with the selection of design engineers to provide the details for three projects (CityWalk, Hwy 321 & Hwy 70 Gateway and RiverWalk). Construction on the Gateway project is planned to commence in 2017. The design process for CityWalk is expected to be completed in early 2018 and for RiverWalk towards the end of 2018.

The actual issuing and repayment of the bonds is not anticipated to take place in the FY 2017-2018, but the budget will need to be amended during the year to appropriate funds from reserves (fund balance) to pay those engineering, architecture, and design contracts that have been approved. The reserves will then be replenished from bonds funds, expected to be issued sometime in FY 2018-2019.

While the “Crafting Hickory” bond projects are center stage, I want to remind City Council and residents of the outstanding services provided day in and day out by our exceptional City coworkers. Crime rates are down, emergency response times are low, recreation and library services are highly valued, and we operate an award-winning regional utility system. Street and sanitation employees keep our City safe and clean, and we are grateful for the partnership between residents and employees which make Hickory such a wonderful and desirable community.

Sincerely,

A handwritten signature in dark ink, appearing to read "Warren Wood". The signature is fluid and cursive, with a large initial "W" and a long, sweeping underline.

Warren Wood
City Manager

Budget Overview



FY2017-2018 ADOPTED BUDGET OVERVIEW

<u>Operating Funds</u>	<u>Adopted Budget Amount</u>
General Fund	\$ 49,442,501
Water and Sewer Fund	24,938,142
Sludge Composting Fund	1,726,338
Stormwater Fund	270,274
Transportation Fund	2,632,202
Solid Waste Fund	5,000,551
Total	\$ 84,010,008
<u>*Internal Service Funds</u>	
Capital Reserve Fund	\$ 1,770,000
Fleet Maintenance Fund	2,697,400
Insurance Fund	7,219,556
Total	\$ 11,686,956
All Funds Total	\$ 95,696,964

*The Internal Service Funds are supported by budgetary transfers from the Operating Funds they serve. Even though including them in the overview above creates a double counting, to exclude them would not give a comprehensive view of the City's budget.

THE FUNDS OF THE ADOPTED BUDGET

General Fund

The General Fund contains all the governmental services that do not generate sufficient revenue to support their activities including Police, Fire, Recreation, Public Services, Library, Planning and Development, Administration, and Governing Body. This fund also transfers portions of its revenue to support the City's Stormwater Fund and the Capital Reserve Fund.

In the FY2017-2018 Budget, the General Fund is balanced with a property tax rate of fifty-six and sixty-five ten thousandths (\$0.5665) cents per one hundred dollars (\$100) valuation. This keeps the tax rate the same as FY2016-17. During FY2017-18 this rate will provide \$25,800,000 in property tax revenue and \$170,000 in vehicle tax revenue. The property tax base is estimated to be \$4,621,825,338. The City's property tax base has increased \$55,905,978 over the FY2016-2017 amount.

The FY2017-2018 General Fund Budget totals \$49,442,501.

Water and Sewer Fund

The Water and Sewer Fund contains all water production, water distribution, wastewater collection and wastewater treatment activities of the City. This fund is totally self-supporting, meaning it receives no supplement from any other fund to support its operations.

There is a 1.7% increase proposed in water and sewer rates for FY2017-2018. Water and sewer operations have experienced material and energy cost increases over the past year but only nominal growth in its customer base, therefore necessitating this increase.

The FY2017-2018 Water and Sewer Fund Budget totals \$24,938,142.

Budget Overview



Sludge Composting Fund

The Sludge Composting Fund contains all sludge (wastewater by-product) management activities of Hickory, Conover and Catawba County.

A consortium consisting of Hickory, Conover, and Catawba County manages the Sludge Composting Fund. This fund receives its revenues from those jurisdictions. The finances of the fund are managed by the City of Hickory, and its budget is contained within the City of Hickory's Annual Budget.

The FY2017-2018 Budget for the Sludge Composting Fund totals \$1,726,338.

Stormwater Fund

The Stormwater Fund contains all the activities related to complying with Federal and State Stormwater Regulations. It is jointly funded by both the General Fund and the Water and Sewer Fund, each of which contributes half the Fund's cost.

The FY2017-2018 Stormwater Fund Budget totals \$270,274.

Transportation Fund

The Transportation Fund contains all Airport activities of the City. The Hickory Regional Airport assumed Fixed Based Operations responsibilities in December 2011. This fund is totally self-supporting, meaning it receives no supplement from any other fund to support its operations.

The FY2017-2018 Budget for the Transportation Fund totals \$2,632,202.

Solid Waste Fund

The Solid Waste Fund contains the following divisions: Residential Collection, Recycling, and Commercial Bulk Services.

The Solid Waste Fund is largely supported by the Solid Waste Fee which is paid by all residential solid waste customers in the City. For FY2017-2018 this fee is recommended to increase by \$1.00 from \$19.50 per month to \$20.50 per month. This increase reflects City Council's goal of moving the Solid Waste Fund towards self-supporting status.

The FY2017-2018 Solid Waste Fund Budget totals \$5,000,551.

Capital Reserve Fund

The Capital Reserve Fund exists as a financial tool to help in the funding of future capital projects. It is the City's practice to budget up to two (\$0.02) cents of the property tax rate towards the Capital Reserve Fund to ensure the availability of funds necessary for capital projects such as buildings, equipment, vehicles and infrastructure. The City also sets aside a portion of its Water and Sewer Fund revenue for future water and sewer related capital purchases and projects. Without adequate funding provided to the Capital Reserve Fund, the City would have to rely more heavily on its Fund Balance or debt financing for major capital purchases.

In the FY2017-2018 Budget, the General Fund and Water and Sewer Fund will both make financial contributions to the Capital Reserve Fund. The amounts will be \$920,000 and \$740,000 respectively.

Budget Overview



The total budget for the Capital Reserve Fund for FY2017-2018 is \$1,770,000 which includes the appropriations toward major capital purchases and projects.

Fleet Maintenance Fund

The Fleet Maintenance Fund contains all vehicle and equipment maintenance activities of the City. This is an Internal Service Fund, meaning this fund accounts for activities that serve other funds within the City's budget structure. The North Carolina General Statutes do not require that Internal Service Funds be included in the Annual Budget; however, they are included in this budget to more fully disclose all the financial operations of the City.

The FY2017-2018 Budget for the Fleet Maintenance Fund totals \$2,697,400.

Insurance Fund

The Insurance Fund contains all insurance (health, dental, property/casualty, liability and worker's compensation) activities of the City. This is an Internal Service Fund, meaning this fund accounts for activities that serve other funds within the City's budget structure. The North Carolina General Statutes do not require that Internal Service Funds be included in the Annual Budget; however, they are included in this budget to more fully disclose all the financial operations of the City.

The FY2017-2018 Budget for the Insurance Fund totals \$7,219,556.

EXPENDITURES BY FUNCTIONAL AREA

Not only are expenditures accounted for in the various funds, they are also organized into functional areas. Below you will find those functional areas as well as a sampling of programs, expenditures and purchases contained in the FY2017-2018 Budget.

General Government (Governing Body, City Manager's Office, Office of Communications, Finance, Human Resources, Information Technology, Budget Office, City Clerk, Legal, Engineering, District Court, Public Services Administration, Central Services, Landscape Services, Public Buildings, Insurance Fund, Fleet Maintenance)

- Continued Participation in the North Carolina Performance Measurement Project
- Public Art Commission Funding
- Community Appearance Commission Funding
- Neighborhood College
- Coworker Appreciation Day
- Coworker Service Awards Program
- Coworker Quality Awards Program
- Coworker Health Fair
- Safety Consulting Services
- Technology Upgrades
- GIS Database Maintenance Services (WPCOG)
- Contracted Legal Services (City Attorney)

Budget Overview

Public Safety (Police, Code Enforcement, Fire, Hickory Rural Fire District)

- Catawba County Animal Shelter Funding
- Replacement of Police Communications Equipment
- Replacement Police Vehicles and Accessories
- Expansion of the Police Camera Program
- Replacement of Police Weapons
- Spay/Neutering Program
- Fire Department Suppression Equipment
- Mandated Fit and Flow Testing for Fire SCBA equipment

Transportation (Traffic, Street, Airport, Airport – FBO)

- Installation of Traffic Signal Equipment
- Maintenance of Traffic Signal System
- Street Resurfacing
- Street Maintenance
- Right-of-Way Mowing
- Roadside Litter Contract
- Continued Implementation of the Sidewalk/Bikeway Master Plan (\$5 vehicle fee)

Environmental Protection (Water and Sewer Administration, Wastewater Collection System, Henry Fork Wastewater Treatment Plant, Northeast Wastewater Treatment Plant, Hickory-Catawba Wastewater Treatment Plant, Water Treatment Plant, Pretreatment & Lab Division, Water Distribution System, Sludge Composting Facility, Recycling, Residential Sanitation, Commercial Bulk Services, Stormwater)

- Administration of Federal Stormwater Regulations
- Provide Water and Sewer Taps to Habitat for Humanity projects
- Sanitary Sewer Overflow Program
- Water Tank Maintenance Program
- Water Consumer Confidence Report
- Contract with Veolia Water North America for Sludge Composting Facility Operations
- Provide 66% of the Funding for the Sludge Composting Facility Operations (3 Member Consortium)
- Contract with Republic for Recycling Services (Single Stream)
- Contract for Yard Waste Grinding Services
- Contracted Labor for Leaf Collection
- Replacement of Cardboard Recycling Containers
- Replacement of Multifamily Recycling Containers
- Replacement of Residential Sanitation Containers
- Replacement of Commercial Bulk Dumpsters

Economic and Community Development (Planning and Development, External Economic Development Appropriations, Business Incentives)

- Hickory-Conover Tourism Development Authority (Funding for Convention and Visitors Bureau Marketing)
- Community Relations Council Funding
- Catawba County Economic Development Corporation Funding
- Funding for the Hickory Downtown Development Association

Budget Overview

- Neighborhood Grant Program
- Façade and Landscape Grant Program
- Vacant Building Revitalization and Demolition Grant Program
- Business Incentives Program

Culture and Recreation (Recreation, Parks Maintenance, LP Frans Stadium, Library, Culture & Recreation Special Appropriations)

- Recreation Facility Upgrades
- Recreation Fitness Equipment Replacement
- Priority Facility Use Agreement With Hickory Public Schools
- Funding for Library Technology Upgrades
- Funding for United Arts Council of Catawba County
- Funding for the SALT Block

Other Financing Uses

- General Fund Transfer to General Capital Reserve (2 cents policy)
- Water and Sewer Fund Transfer to General Capital Reserve

Debt Service

- Hickory Metro Convention Center – General Fund
- Revenue Sharing Projects with Catawba County – Water and Sewer Fund
- City of Conover (Northeast Sewer) – Water and Sewer Fund
- Henry Fork Wastewater Treatment Plant – Water and Sewer Fund
- Annexation Area II Utilities – Water and Sewer Fund
- Maiden Waterline – Water and Sewer Fund
- North East Waste Water Treatment Plant – Water and Sewer Fund
- Henry River Basin Sewer Project – Water and Sewer Fund
- Hickory-Catawba Waste Water Treatment Plant – Water and Sewer Fund
- Cripple Creek Sewer Outfall – Water and Sewer Fund

Contingency

- General Fund maintains Contingency Funding at a level up to 1.5% of Recurring Revenue
- Water and Sewer Fund has no official contingency target, but generally maintains Contingency Funding equal to between 0.5% and 1% of Recurring Revenue

MASTER PLANS AND CITY INITIATIVES

The City has developed a number of master plans and initiatives to help guide both service delivery and development. These plans and initiatives are as follows:

- Inspiring Spaces Plan/Bond Projects: This is a multi-year plan which was developed to improve physical connectivity within the City, as well as to improve public spaces and sustainability for areas throughout Hickory. Since the scope and scale of this plan is so broad, funding mechanisms for this plan are currently being developed. This plan was developed between 2012 and 2014.

Budget Overview

- Landscape Master Plan: This plan prioritizes planting projects and appearance issues. It was accepted by City Council in FY1996-1997.
- Parks and Recreation Master Plan: The Parks and Recreation Master Plan prioritizes current and future Parks and Recreation projects. It was accepted by City Council in FY1997-1998.
- Parks and Recreation Needs Assessment: This document, accepted by City Council in FY2009-2010, provides an inventory and assessment of current Parks and Recreation facilities while also prioritizing future needs.
- Hickory Horizons: This is the City's strategic plan for maintaining and improving Hickory's economic stability, growth and quality of life through regional leadership, recognition of the importance of the Hickory Metropolitan Area and coordinated approaches to common local government issues. The Hickory Horizons Report was first adopted in 1987 and was comprehensively updated in 1995. In 1997, the City Council held its first Hickory Horizons Congress with participation from throughout the Hickory Metro to promote implementation of key regional goals and programs.
- Sidewalk, Bikeway, Greenway and Trail Master Plan: This plan prioritizes sidewalk projects citywide, requires space for bikeways with the design and construction of new roads, and is proposed to be implemented over a 20 to 25 year period. A \$5 vehicle fee was implemented in FY1998-1999 to support this plan. This master plan was originally adopted in FY1997-1998, updated in FY2000-2001 and updated again in 2005 to include greenways and trails.
- Business/Industrial Master Plan: This plan proposes continued funding for economic development activities and sets guidelines for companies receiving economic incentives. This master plan was adopted by City Council in FY1996-1997 and updated in FY2003-2004.
- Water & Sewer Extension Plan: The Water and Sewer Extension Plan identifies major water and sewer system extensions over the next five years. This plan was developed in FY1996-1997.
- Library Long-range Plan: This plan identifies service expansion goals and facility/equipment enhancements and is funded as part of on-going library budgets.
- Airport Master Plan: This document was last developed in 1990 and has become outdated. In 2017 the North Carolina Department of Transportation – Division of Aviation (NCDOT/DOA) awarded the City a grant to update the Airport Master Plan. The Master Plan Update is needed to determine the future direction of Airport development so as to maximize the future potential of the airport. The Federal Aviation Administration requires a Master Plan to provide long-range plans for expansion and renovation of facilities.
- Neighborhood Focus: To date, twelve (12) self-identified neighborhoods have been recognized within the City and the City Manager has assigned a senior staff person to serve as a liaison with each group. City Council has approved two grant programs to assist neighborhood organizations to sustain their organizations and undertake neighborhood improvements. There have been six individual neighborhood plans developed to date, and they are:
 - Ridgeview - Adopted in 1992, updated in 1995 and 1999.
 - Kenworth - Originally adopted in 1997, updated in 2002. Readopted in 2003.

Budget Overview



- Green Park - Adopted in 1998; revised in 2017.
 - West Hickory/Westmont - Adopted in 2000.
 - Highland - Adopted in 2002.
 - Claremont – Adopted in 2008; readopted in 2015.
-
- Hickory by Choice: This Land Use and Transportation Plan for Hickory was originally adopted in 1999. There are limited expenditures associated with this plan, as most of it relates to the City's land use and transportation policy. The City updated and revised this plan into a comprehensive plan (Hickory by Choice 2030) in 2011, and again in 2017.



Annual Budget Ordinance



CITY OF HICKORY Budget Ordinance Fiscal Year 2017-2018

BE IT ORDAINED by the Governing Board of the City of Hickory, North Carolina:

SECTION 1: It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018:

Ad Valorem Taxes	\$ 26,400,000
Other Taxes	15,190,000
Unrestricted Intergovernmental Revenues	595,000
Restricted Intergovernmental Revenues	2,072,713
Licenses and Permits	5,100
Sales and Services	1,686,676
Investment Earnings	125,000
Miscellaneous	319,000
Other Financing Sources	<u>3,049,012</u>
	\$49,442,501

SECTION 2: The following amounts are hereby appropriated in the General Fund for the operation of the City government and its activities for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

General Government	\$ 6,615,302
Public Safety	24,179,973
Transportation	6,307,628
Economic and Community Development	3,173,774
Culture and Recreation	6,459,330
Other Financing Uses	1,055,137
Debt Service	1,001,357
Contingency	<u>650,000</u>
	\$49,442,501

SECTION 3: It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018:

Restricted Intergovernmental Revenues	\$ 1,067,217
Sales and Services	21,798,000
Investment Earnings	60,000
Miscellaneous	340,000
Other Financing Sources	<u>1,672,925</u>
	\$24,938,142

Annual Budget Ordinance



SECTION 4: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ 20,446,042
Other Financing Uses	875,137
Debt Service	3,466,963
Contingency	<u>150,000</u>
	\$ 24,938,142

SECTION 5: It is estimated that the following revenue will be available in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018:

Restricted Intergovernmental Revenues	\$ <u>1,726,338</u>
	\$ 1,726,338

SECTION 6: The following amounts are appropriated in the Sludge Compost Fund for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ <u>1,726,338</u>
	\$ 1,726,338

SECTION 7: It is estimated that the following revenue will be available in the Stormwater Fund for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018:

Other Financing Sources	\$ <u>270,274</u>
	\$ 270,274

SECTION 8: The following amounts are appropriated in the Stormwater Fund for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ <u>270,274</u>
	\$ 270,274

SECTION 9: It is estimated that the following revenues will be available in the Transportation Fund for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018:

Sales and Services	\$ 2,623,337
Restricted Governmental Revenues	6,365
Investment Earnings	<u>2,500</u>
	\$ 2,632,202

Annual Budget Ordinance



SECTION 10: The following amounts are appropriated in the Transportation Fund for the operation of Transit and Airport activities for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

Transportation	\$ 2,602,202
Contingency	<u>30,000</u>
	\$ 2,632,202

SECTION 11: It is estimated that the following revenues will be available in the Solid Waste Fund for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018:

Other Taxes	\$ 25,000
Sales and Services	4,384,600
Investment Earnings	10,000
Miscellaneous	2,500
Other Financing Sources	<u>578,451</u>
	\$ 5,000,551

SECTION 12: The following amounts are appropriated in the Solid Waste Fund for the operation of recycling, residential solid waste collection and commercial bulk services activities for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

Environmental Protection	\$ 4,980,551
Contingency	<u>20,000</u>
	\$ 5,000,551

SECTION 13: It is estimated that the following revenue will be available in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2017 and ending June 30, 2018:

Other Financing Sources	\$ 1,770,000
	\$ 1,770,000

SECTION 14: The following amounts are hereby appropriated in the Capital Reserve Fund for the Fiscal Year beginning July 1, 2017, and ending June 30, 2018 in accordance with the chart of accounts heretofore established for this City:

General Government	\$ 170,000
Environmental Protection	740,000
Other Financing Uses	<u>860,000</u>
	\$ 1,770,000

SECTION 15: The following amounts form the revenue portion of the financial plan for the Fleet Maintenance Fund:

Sales & Services	\$ 2,697,400
	\$ 2,697,400

Annual Budget Ordinance



SECTION 16: The following amounts form the expenditure portion of the financial plan for the Fleet Maintenance Fund:

General Government	\$ <u>2,697,400</u>
	\$ 2,697,400

SECTION 17: The following amounts form the revenue portion of the financial plan for the Insurance Fund:

Sales & Services	\$ 6,634,560
Investment Earnings	40,000
Other Financing Sources	<u>544,996</u>
	\$ 7,219,556

SECTION 18: The following amounts form the expenditure portion of the financial plan for the Insurance Fund:

General Government	\$ <u>7,219,556</u>
	\$ 7,219,556

SECTION 19: The operating funds encumbered on the financial records of June 30, 2017 are hereby reappropriated into this budget.

SECTION 20: There is hereby levied a property tax at the rate of fifty-six and sixty-five ten thousandths cents (\$0.5665) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2016, for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$4,621,825,338 and the Fiscal Year 2016-2017 estimated rate of collection of 98.4%.

SECTION 21: The corresponding "FY 2017-2018 Schedule of Fees" is approved with the adoption of this Annual Budget Ordinance.

SECTION 22: The City Manager (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

- He may transfer amounts between line-item expenditures within the same functional area within a fund without limitation and without a report being required.
- He may transfer amounts up to \$50,000 between functional areas including contingency appropriations, within the same fund. He must make an official report on such transfers at the next regular meeting of the Governing Board.
- He may not transfer any amounts between funds, except as approved by the Governing Board in the Annual Budget Ordinance as amended.

SECTION 23: The City Manager (Budget Officer) is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Governing Body, for the following purposes:

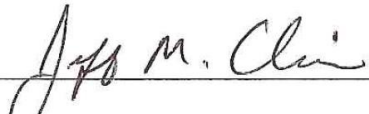
Annual Budget Ordinance

- a. Form grant agreements to public and non-profit organizations
- b. Leases of routine business equipment
- c. Consultant, professional, or maintenance service agreements
- d. Purchase of supplies, materials, or equipment where formal bids are not required by law
- e. Applications for and agreements for acceptance of grant funds from federal, state, public, and non-profit organizations, and other funds from other governmental units, for services to be rendered which have been previously approved by the Governing Body
- f. Construction or repair projects
- g. Liability, health, life, disability, casualty, property, or other insurance or performance bonds
- h. Other administrative contracts which include agreements adopted in accordance with the directives of the Governing Body

SECTION 24: Copies of the Annual Budget Ordinance shall be furnished to the City Clerk, to the Governing Board and to the City Manager (Budget Officer) and the Finance Officer to be kept on file by them for their direction in the disbursement of funds.

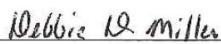


Adopted this 20th day of June, 2017



Mayor

Attest:



Debbie Miller
City Clerk



HICKORY CITY COUNCIL'S FY2017-2018 PRIORITIES AND ACTION PLAN

Strategic Priority: Attract and Retain Jobs and People

1. Implement Bond Projects

- A. Continue community involvement through the Bond Commission and other outreach efforts to gain insights and feedback on project design, phasing and scope.
- B. Continue to use pre-engineering data and Bond Commission input to determine phasing and scope of projects.
- C. Use best practices to select and manage design professionals as they develop plans for the bond projects.
- D. Implement financing plan to address both pre-issuance costs and timing of bond issuance.
- E. Maintain best practices for financial transparency and communication.

Strategic Priority: Economic Growth & Transportation

1. Promote Economic Development and Jobs

- A. Pursue development partnerships and opportunities for hi-tech manufacturing at Business Park 1764.
- B. Establish development opportunities and parameters along the City Walk.
- C. Implement new design standards for smart growth in city limits.
- D. Maintain investment in NC Data Campus project to attract and secure business development in region.
- E. Continue marketing the remaining industrial sites at Fairgrove Business Park and other City owned industrial properties.
- F. Promote the redevelopment of obsolete manufacturing facilities.
- G. Continue an aggressive Code Enforcement program for owner-abated commercial demolitions.
- H. Continue an aggressive program of utilizing Vacant Building Revitalization and Brownfield Grants to improve blighted properties.
- I. Consider policies and recommendations by the Business Development Committee that would stimulate economic development activity in Hickory.

2. Improve Transportation

- A. Through the transportation Bond Project, establish scope and phase roadway improvements in strategic corridors and gateways.
- B. Pursue grant opportunities to leverage bond funds.
- C. Update the City's resurfacing analysis and street segment rating.
- D. Review new wayfinding sign locations and verbiage; add as needed for city residents and visitors.

City Council Priorities and Action Plan



- E. Partner with NCDOT on designing Sandy Ridge Road Roundabout projects to improve traffic flows.
 - F. Work with NCDOT and the MPO to develop other projects benefiting Hickory.
3. Leverage the City's Regional Utilities
- A. Pursue new utility extensions and regional agreements to enhance the utility system's economy of scale.
 - B. Use the City's strength in water and sewer services as an economic development tool.
 - C. Market Hickory within and outside the region to increase economic development activity and increase water and sewer sales.

Strategic Priority: Quality of Life and Natural Environment

1. Provide a Safe Community for Residents and Visitors
- A. Identify meaningful ways to engage and partner with our community and community leaders.
 - B. Implement recruitment and retention efforts in the Police Department to move toward full complement of sworn officers.
 - C. City departments will strive to provide exceptional service and communicate effectively through community involvement with our customers and workforce management.
 - D. Implement the comprehensive fire department strategic plan to meet the needs of our community and department.
 - E. Promote proactive public safety partnerships with citizens and neighborhood groups.
 - F. Continue to partner with other Catawba County jurisdictions and the community with the Catawba County Safe Initiative program to reduce violent behavior.
2. Support Downtown Development and Activities
- A. Continue to support downtown festivals and activities with in-kind services.
 - B. Maintain public assets downtown to promote growth and create a unique downtown experience.
 - C. Consider highest and best use for vacant parcels in the downtown area and support redevelopment of underutilized buildings.
3. Support and Protect Neighborhoods
- A. Pursue single-family home ownership opportunities in strategic locations to help stabilize distressed neighborhoods including partnerships with non-profit housing groups to such as the partnership with Habitat for Humanity.
 - B. Provide staff liaisons to recognized neighborhood associations, where appropriate.
 - C. Respond in a timely manner to neighborhood requests for City services including traffic calming, trash collection, policing, etc.
 - D. Respond in a timely manner to neighborhood requests concerning Code Enforcement issues.

City Council Priorities and Action Plan



4. Offer High Quality Recreation and Library Opportunities

- A. Begin design of Riverwalk Bond Project as a recreational destination for citizens and visitors.
- B. Continue partnership with Deidra Lackey family to complete design and begin construction of one-of-a-kind entertainment and cultural venue at Geitner Park.
- C. Partner with Greater Hickory Tennis Association to expand parking and recreational opportunities at Hickory City Park.
- D. Pursue design for phase one of Bruce Meisner Park with Outward Bound donation.
- E. Update Sandy Pines Park Master plan
- F. Conduct customer surveys for recreation programs and strive for positive feedback and ratings.
- G. Continue to implement the updated library strategic plan as possible within budget constraints.
- H. Conduct customer surveys for library programs and strive for positive feedback and ratings.

5. Improve and Protect the Natural Environment

- A. Continue single-stream recycling efforts in FY2017-2018, increasing overall recycling participation by 5% and total tonnage of recycled material by 5%.
- B. Monitor the compliance of Concord/Kannapolis in regards to the interbasin transfer agreement.
- C. In meeting the EPA NPDES Phase II federal storm water regulations, continue implementing stormwater best practices and complying with stormwater regulations.
- D. Partner with other organizations (Reese Institute, Covekeepers, WaterWatch, Duke Energy, Catawba River Study Committee) to promote policies and practices which protect the river, improve water quality and protect our water supply.
- E. Continue to promote "Your Catawba Use it Wisely" conservation program.

6. Improve Air Quality

- A. Monitor air quality attainment issues and support efforts to address those causes.
- B. Promote awareness of ozone action days.

Strategic Priority: Operational Excellence

1. Provide Exceptional Customer Service and Communication

- A. Each coworker's performance evaluation will reflect a focus on customer service.
- B. Utilize regular City Manager/Coworker meetings to enhance communication within the organization.

2. Invest in City Coworkers

- A. Provide internal training opportunities for supervisors as well as front line staff.

City Council Priorities and Action Plan



- B. Promote and fund higher education opportunities which will benefit the coworker and the City.
 - C. Recognize, formally and informally, coworkers' achievements.
 - D. Continue to support the coworker Wellness Program.
3. Constant Innovation in Delivery of Services
- A. Maintain the City's excellent standing for all services included in the NC Performance Measurement Project.

Strategic Priority: Vision and Leadership

- 1. Support and Promote Higher Education Opportunities
 - A. Work collaboratively with Lenoir-Rhyne University and Catawba Valley Community College on initiatives and opportunities which would positively impact our community.
- 2. Lead Regional Initiatives
 - A. Participate on local and regional boards/committees to insure City interests are preserved (i.e. WPCOG, EDC, MPO, NC Works, Innovate Catawba)
 - B. Continue to lead the region in protecting and promoting the Catawba River Basin.
 - C. Be the lead agency on regional economic development issues to adequately represent the hub of the population and workforce in the Metro area.
- 3. Promote City Priorities in the 2017-2018 Legislative Agenda to Federal and State Governments
 - A. Continue to educate citizens on State and Federal legislative issues affecting the City.
 - B. Develop and promote state and national legislative priorities that are in the specific interest of the City of Hickory.

Strategic Priority: Communication and Marketing

- 1. Provide best practice quality communication on bond projects and city events to our residents.
- 2. Continue to market the City of Hickory "Life Well Crafted" Brand and partner with other entities to promote Hickory as a place to live, work and play.
- 3. Continue to offer and support interactive and innovative programs offered by the City, such as the Neighborhood College, and the Citizen's Police and Fire Academies.
- 4. Communicate Effectively with Customers about Delivery of Services
 - A. Respond in a timely manner and inform citizens of results of "Action Requests."
 - B. Inform citizens about Hickory services, projects and awards.
 - C. Keep the city's website vibrant and informative.

City Council Priorities and Action Plan



- D. Use print, radio, internet and social media to communicate with our citizens.
- E. Communicate effectively with organized neighborhood groups, boards and commissions and other partners.

City Council Priorities and Action Plan



HICKORY CITY COUNCIL FY 2017-2018 FINANCIAL POLICIES

These Financial Policies are adopted to help guide the City in the management of its financial resources. Although the North Carolina Local Government Budget and Fiscal Control Act regulates North Carolina governmental units in financial matters, these policies adopted by the City Council are often more stringent, and reflect the specific desires of City Council. These Financial Policies are designed to allow the City to function as a fiscally sound governmental unit.

1. Revenue Policy

- A. The property tax rate shall be set each year based on the cost of providing general government services.
- B. The rate and fee structure established for the Water and Sewer Fund will be sufficient to finance needed operating, capital, and debt service costs for providing water and sewer services. Rates and fees in the Water and Sewer Fund will generally increase annually by the amount necessary to keep the Fund self-supporting.
- C. The City will continue to move the Solid Waste Fund towards becoming a self-supporting enterprise.
- D. Revenue projections will be made in a conservative manner.
- E. To the extent practical, any City service that benefits specific recipients shall be supported either fully or in part by user fees. Those fees will generally increase by the annual Consumer Price Index. Examples are certain recreation programs and Fire Inspections activities.
- F. The City will project revenues for five years and will update those projections annually.
- G. When investing City funds, safety and liquidity will take precedence over yield.
- H. Except in cases of emergencies, under urgent conditions, or for one-time capital expenses, Fund Balance Appropriated shall not exceed an amount that management can reasonably expect to save during the year.

2. Operating Budget Policy

- A. The City will continue to develop benchmarks and productivity ratios integrated with work performance standards to assist in the evaluation of expenditures.
- B. Continue the City's participation in the North Carolina Performance Measurement Project.

City Council Priorities and Action Plan



- C. The City will prepare a five-year operating budget projection that will include projections of annual growth.
 - D. Ensure that all water and sewer expansions represent sound investments for the City.
 - E. During the course of the fiscal year, the City Manager may, at his discretion, take the necessary action to keep the City's Annual Budget balanced and solvent.
3. Capital Improvement Policy
- A. Annually, the City will update its Five-Year Capital Improvement Plan, which will list each capital project, the estimated cost and the anticipated year in which the project is to occur. This plan will be used as a guide in the development of the annual budget.
 - B. When funding capital items, priority will be placed on the replacement of existing equipment, maintaining existing facilities, and making enhancements to existing facilities. Capital projects related to new facilities not currently in existence will receive the lowest priority, unless a designated funding source is available for the project.
4. Accounting Policy
- A. Annually, an independent certified public accounting firm will issue an official opinion on the City's annual financial statements to the City Council. Additionally, City Council will appoint an Audit Committee to meet with the auditors and discuss their findings.
 - B. Financial systems will be maintained to monitor revenues and expenditures on a monthly, quarterly, and annual basis.
 - C. Staff will give a Financial Report to City Council on a quarterly basis.
5. Debt Policy
- A. Capital projects financed through the issuance of bonds or through an installment purchase contract (N.C.G.S. 160-A 20) shall be financed for a period not to exceed the anticipated useful life of the project.
 - B. The City will maintain its financial condition so as to continue a minimum bond rating of AA and will have the rating agencies periodically review its bond rating.
6. Reserve Policy
- A. The City will strive to maintain an Undesignated General Fund Balance equal to three months, or 25%, of the general operating budget. These funds will be used to avoid cash flow interruptions, generate investment income, eliminate the need for short-term borrowing, and for use in the case of unanticipated emergencies.

City Council Priorities and Action Plan



- B. In the Annual Budget, the City will reserve the equivalent of two pennies on the City's property tax rate in the General Capital Reserve Fund, for the purpose of funding capital expenditures on a pay-as-you-go basis.
 - C. The City will establish a General Fund Contingency Reserve to provide for unanticipated expenditures of a nonrecurring nature to meet unexpected increases in service delivery costs. This reserve will be budgeted at an amount up to 1.5% of recurring General Fund revenues estimated for that fiscal year.
7. Financial Partnerships Policy
- A. When feasible, the City will seek financial partnerships with organizations in the community as a means of providing services in the most cost-effective way.
 - B. When renovating, enhancing or constructing City-owned facilities, the City will seek financial partnerships, when feasible, with organizations or individuals who benefit from those facilities in order to limit the use of public funds and to maximize the benefit of those funds.



The information in the previous sections focused on how City government plans to allocate resources for the upcoming fiscal year. Subsequent sections of the document describe the detail behind those plans as the budget is examined at consolidated, functional, departmental, divisional, and in some cases, line item levels.

The *Budget Guide* begins the transition from a broad budgetary plan to a specific working budget for City operations. Here, the reader will find explanations for much of the data that follows. This section also provides an opportunity to pause and examine the many facets of budgeting for which this document is merely the end product. What has changed in the City budget since last year? How and when does the process of allocating over \$93 million occur? How is the City's budget organized, and what do all those terms mean?

Because this section is intended to provide mostly background information, the reader is invited to exercise judgment when reading it. The veteran budget reader may wish to skip the *Budget Format: The Basics* pages because they describe the basic structure of the City's budget. However, the novice reader will find these pages a good starting point for developing an understanding of information in the rest of the document.

What's New in the Budget?

Changes to the FY2017-2018 budget reflect the ongoing efforts by the City of Hickory to enhance the municipal environment through ongoing Bond Projects while maintaining a high level of basic service provision to the public. As with any new budget year, any changes are necessary to meet new community, financial, or legal obligations and mandates.

The most significant changes to the structure of the FY2017-2018 budget are:

- A continued resurgence of growth in property tax base and revenues
- Moderate growth in sales tax revenues
- Increase in City employee health insurance premiums
- First year without a General Fund transfer to the Solid Waste Fund

There have been no other significant changes to the structure of the budget, or to the structure of the organization. However, each year the City of Hickory submits its budget document to the Government Finance Officers Association Distinguished Budget Awards Program for review. This year's budget contains minor revisions based on the comments of those professionals who reviewed last year's budget document.

Budget Development Calendar

- **November 15, 2016** Personnel expenditures projected by Human Resources
- **November 15, 2016** Worker's Compensation, Property and Liability Insurance by Risk Management
- **December 5, 2016** New position requests and reclassification requests due to Human Resources (per Personnel Ordinance)
- **December 7, 2016** Debt projected by Finance (existing debt only)
- **December 7, 2016** City Council Financial Policy expenditures (transfers and contingency) projected by Budget Office
- **December 7, 2016** External appropriation request letters sent out; also notices re: Board and Commission Workplan deadlines
- **December 7, 2016** Publish newspaper ad re: notification of call for External appropriation requests (due date January 23, 2017)
- **December 15, 2016** Budget Kick-off Meeting
 - Distribute Initial Allocation Sheets
 - Distribute Budget Manual
- **January 4, 2017** Projected revenues entered into H.T.E. by Budget Office
- **January 13, 2017** Departments to have **entered FY17-18 operational** budget requests into H.T.E. **Requests to balance to your department's initial budget allocation.**
- **January 13, 2017** Departments to have **entered FY17-18 capital** budget requests into H.T.E.
- **January 3-27, 2017** Departments may request to meet with the City Manager to make additional budget requests or to negotiate budgets
- **January 23, 2017** External Appropriation requests due
- **January 23, 2017** Fleet Management to review and make recommendations on new capital equipment requests
- **January 23, 2017** City Engineer to review and make recommendations on capital construction requests
- **January 23, 2017** Information Technology to review and make recommendations on technology requests

Budget Development Calendar



- **January 31, 2017** Fee Schedule sent to departments for FY17-18 changes
- **February 7, 2017** Board & Commission workplans due
- **February 7, 2017** 5-year CIP to be entered into H.T.E. by departments
- **February 21, 2017** City Council Meeting:
 - External appropriation requests presented
- **February 24, 2017** Departments to return FY17-18 Fee Schedule changes to Budget Office
- **March 7, 2017** City Council Meeting:
Board & Commission workplans presented
- **March 7, 2017** City Manager's Recommended Budget balanced
- **March 10, 2017** Performance Measurement page due to Budget Office from departments
- ***Weeks of*
May 1 & 8, 2017** Individual Management Briefings to City Council members on FY17-18 budget
- ***Weeks of*
May 15 & 22, 2017** Management Presentations to City Coworkers on FY17-18 budget
- **May 16, 2017** City Council Meeting:
 - Call for public hearing on Recommended Budget
- **May 17, 2017** Publish notice of public hearing and make a copy available to news media in the County
- **June 6, 2017** City Council Meeting:
 - Public Hearing on Recommended Budget
 - FY17-18 Budget approved on 1st reading
- **June 20, 2017** City Council Meeting:
 - FY17-18 Budget adopted on 2nd reading
- **June 21, 2017** Notification of tax rate sent to Tax Administrators in Burke, Caldwell and Catawba Counties
- **June 23, 2017** Notify organizations who requested appropriation of City funds of funding status
- **July 1, 2017** Fiscal Year 2017-2018 begins

Budget Planning

Phase I (Initial Budget Planning Stage)

Budget planning for the FY2017-2018 Annual Budget began in August 2016. Recommendations were to continue with the budget development cycle and budget development calendar.

Phase II

In November of 2016, projections of personnel expenditures and projections of risk management insurance expenditures were made for the upcoming fiscal year. This information is used to determine what new revenues would need to be produced to maintain current staffing levels and to maintain current risk management insurance policies. These projections are done early due to the significant dollar value involved with these items and the vital role they play in the overall budget development process.

Phase III

In November of 2016, Budget staff held individual budget meetings with divisions/departments for preliminary discussions on significant budgetary needs for FY2017-2018 and to review the status of performance measures.

Phase IV

In December of 2016, there was a “Budget Kick-off Meeting” held with all departments. At this meeting, departments were given the FY2017-2018 budget manuals, FY2017-2018 budget calendar, FY2017-2018 personnel projections, FY2017-2018 risk insurance projections, instructions for performance measurement reporting, and initial operational target budgets for each department. In addition, debt projections were made by the Finance Department for FY2017-2018. All new personnel requests were due to the Human Resources Department by December 5, 2016.

Phase V (Final Budget Planning Stage)

Annually, the Hickory City Council adopts their Priorities and Action Plan, which are derived from the Council-Staff Work Sessions. This document is used throughout the year as a guiding tool to ensure that the philosophy defined by the City Council is advocated and carried out by City departments as they deliver services to the public. Also, the Priorities and Action Plan guides City officials in budget development and planning for the upcoming and future budget years. In short, this policy document provides the structure by which the City of Hickory functions during the fiscal year.

Budget planning for the FY2017-2018 budget was completed at this point and the development of the FY2017-2018 recommended annual budget began.

How the Budget Process Works

Basis of Accounting and North Carolina Local Government and Fiscal Control Act

The City of Hickory uses the modified accrual method as the basis for budgeting and for accounting for all funds. This approach to accounting recognizes revenues when they become measurable and expenditures at the time the liability is incurred. All revenues and expenditures must be included in the annual budget ordinance or the appropriate capital and/or grant project ordinances. Any operational appropriations that are not expended or encumbered shall lapse. The North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) controls how cities budget and spend money. The major effects of the LGBFCA on the budgetary process are as follows:

Budget Preparation Calendar

The LGBFCA establishes the dates by which each stage in the annual budget process is to be completed (G.S. 159-10 through 13). These dates are as follows:

Departmental requests must be submitted to the budget officer by April 30.

Revenue estimates must be submitted to the budget officer by April 30.

The recommended annual budget must be submitted to the Governing Board by June 1.

The Governing Board must adopt the annual budget ordinance by June 30.

Budget Forms and Procedures

The Budget Officer must prescribe the forms and procedures for the departments to use in preparing their requests; in the words of G.S. 159-10, requests “shall be made in such form and detail, with such supporting information and justifications, as the Budget Officer may prescribe.” G.S. 159-10 also requires that a budget request show actual expenditures for the prior year, estimated ones in the current year, and requested ones for the coming budget year.

Departmental Requests

G.S. 159-10 requires that the budget request for a department include revenues or fees that it will collect in the budget year.

Recommended Budget

G.S. 159-11 requires that the Budget Officer’s recommended budget be balanced unless the Governing Board insists that an unbalanced budget be submitted. It is also required that the budget be submitted to the Governing Board with a budget message. G.S. 159-11(b) states that the message should include:

- A concise explanation of the governmental goals fixed by the budget for the budget year.
- Important features of the activities anticipated in the budget.
- The reasons for stated changes from the previous year in program goals, programs, and appropriation levels.
- Any major changes in fiscal policy.

Board Review

Once the recommended budget is presented to the Governing Board, several general legal provisions apply to Board review and adoption of the budget ordinance.

- At least ten days must pass between the submission of the recommended budget and adoption of the budget ordinance.
- On the same day the budget is submitted to the Governing Board, the Budget Officer must file a copy of it in the City Clerk’s Office where it is made available to the public and press.
- The City Clerk must publish a notice that the budget has been delivered to the Governing Board and is available for public inspection. This advertisement must also note the time and place of the required public hearing.
- During the time between submission and adoption, the Governing Board may conduct its review at both regular and special meetings. At least one of these dates must be a public hearing at which any person who wishes to comment may.
- The Open Meeting Law (G.S. 143-318.9 through 318.18) applies to the budget review and adoption process

Adoption of the Budget Ordinance

The budget ordinance must contain the appropriations, the estimated revenues, and the property tax *levy* as well as the property tax *rate*.

Budget Adoption and Amendment

The operations conducted by the City are guided by the annual budget ordinance adopted in accordance with the provisions of the North Carolina Local Government Budget and Fiscal Control Act. The Budget Ordinance must be balanced and adopted prior to the beginning of the Fiscal Year. Adoption of the budget by City Council establishes the legal authority to incur expenditures in the ensuing fiscal year.

After the adoption of the Budget Ordinance, the City Manager (Budget Officer) is authorized to transfer appropriations between line-item expenditures within a department without making an official report to the City Council. He may also transfer amounts not to exceed \$50,000 between functional areas, including contingency appropriations, within the same fund. These transfers, however, require an official report at the next regular meeting of City Council. All other budget amendments must be approved by the City Council through legislative action. All amendments affecting the original budget ordinance not within the scope of the authority granted to the City Manager require two readings for City Council approval.

Budget Format: The Basics

Comprehending the Annual City Budget requires the reader to understand the differences between two perspectives of the same budget: the *functional* perspective, by which the City is managed, and the *accounting* perspective, by which City finances are accounted for. When City Council adopts or amends a budget, it is allocating resources into functional areas (as listed in the *Budget Ordinance*). By managing a budget organized around these major functions, City Council can better direct how City resources are applied.

City Council manages the budget at the broadest level. Council policy, statutes, and financial standards mandate the City's accounting system parallel the functions, but at a much more detailed level. The accounting structure of the City is organized on the basis of account groupings called *funds*, each of which is considered a separate accounting entity. Government monies are allocated to and accounted for in individual funds based upon the purposes for which they are earmarked, and the means by which spending activities are managed. The budgeted monies (i.e., revenues) must always equal the proposed expenditures within each fund. This segregation of financial activity ensures that certain funds, which are restricted in purpose, are explicitly spent on the appropriate government function.

A fund is one of two types: an annual fund or a project fund. Council appropriates operational funds on an annual basis and operational funding lapses at the close of the year. Project funds continue for the life of each specific capital or grant project with appropriations continuing until the project is finished. The City of Hickory's Annual Budget Ordinance contains all operational appropriations and consists of nine funds: the General Fund, Water and Sewer Fund, Sludge Fund, Transportation Fund, Stormwater Fund, Fleet Maintenance Fund, Insurance Fund, Solid Waste Fund, and Capital Reserve Fund. The City adopts all project budgets as Capital or Grant Project Ordinances, which are described in the *Capital Improvements/Grant Projects* section of this document.

An operational fund's revenue sources are a key distinction for two types of operating funds – *General Fund* and *Enterprise Funds*. All city budgets have at least one fund, the *General Fund*, which is supported by a variety of revenue sources, including the most substantial, the ad valorem property tax levy. The *General Fund* contains those departments and divisions, which do not produce enough revenue to support their operations. The best examples of operations housed in the *General Fund* include Police, Fire, Library, Recreation, Planning, and Administration.

Like most cities, Hickory has another type of fund called *Enterprise Funds*, which exist on the market viability of the services provided in that fund. The Water and Sewer Fund, the Solid Waste Fund and the Stormwater Fund are *Enterprise Funds* that rely almost solely on user fees generated from the services they provide. The Sludge Compost Fund is an enterprise fund financed through intergovernmental agreements of participation by Catawba County and the cities of Conover and Hickory. The Transportation Fund exists with funding from user fees, intergovernmental agreements, and grant funding.

Although funding sources can vary, an *Enterprise Fund* is expected to generate enough revenue to equal projected expenditures.

Finally, Hickory also utilizes *Internal Service Funds*. These funds account for activities that serve other departments or parts of same government, rather than the public. Hickory maintains two *Internal Service Funds* including the Fleet Maintenance Fund and the Insurance Fund. In addition Hickory has one *Special Revenue Fund* which is the Capital Reserve Fund. Even though there is no statutory obligation to include *Internal Service Funds* or the *Special Revenue Fund*, in the Annual Budget, Hickory does include them in order to more fully reveal the City's finances. We have established that budgets, while managed by functions, are also managed as complex accounting groupings called funds, which are either operational or project oriented in nature. Operational funds can be enterprise funds depending on the fund's revenue characteristics.

Knowing these key principles is important, but consider this: City employees do not work for funds, they work for departments and divisions. The day-to-day operations of City government are conducted through 45 departments and divisions.

Here is the most important question for budget understanding: How do functions, funds, and departments (divisions) interrelate? The simple answer is that departments are subsections of both functions and funds. Each department is managed by its functional duties and its financial distinctions. For example, the Fire Department is part of the *Public Safety* function, and is included in the *General Fund* because it is not a self-supporting entity (enterprise fund). Each department belongs to one function and one fund. A fund can include any number of departments, including departments of different functions. A function can include departments from many funds. Managing the aggregate of all departments in a fund allows staff to measure the financial health of specific City endeavors, while managing the aggregate of all departments in functions allows City Council to consolidate the myriad of City services into clearer segments. When Council appropriates money for the Fire Department and the Recreation Department, it is addressing needs in two functional areas, *Public Safety* and *Culture and Recreation*, but it is allocating the resources of one fund, the General Fund.

About the Document Presentation

All combinations of departments and divisions, funds, and functions appear in this budget document. The presentation takes the reader from discussions of the broadest overview in the budget document (*Consolidated Budget Summary*) to discussions of the most specific departmental review (*General Fund, Enterprise Funds*). The document places a distinct emphasis on the City's departments and divisions because these pages represent the plans of the men and women who are charged with the duty of providing services to citizens. Following the City budget from this basic level back up through funds, functions, and consolidated totals can help the reader associate services to the respective budget data.

The departmental presentations are summaries of all expenditures and revenues associated with each department's activities. One of the most daunting tasks of preparing a budget document is deciding how to present the hundreds of individual budget codes (line-items) in a format that promotes the decision-making process. Every account code is relevant to the process. Unfortunately, it is not possible to effectively present literally hundreds of account codes.

Instead, this document presents budget data in a summary form that shows groups of like data by category (e.g., Personnel, Operations, Capital). Presenting the City of Hickory's budget in this style facilitates comparisons between groups of data, making the overall trends more discernible to the reader. Acknowledging that the reader does not have access to every account code, the Budget Highlights attempt

Budget Format: The Basics

to explain key departmental changes by relating the “numbers behind the numbers” to budget summaries. A second document that presents the complete listing of all City of Hickory budget codes only is also available through the City of Hickory’s Budget Office (828-327-7412) if further detail is needed.

In the *General Fund* and *Enterprise Funds* sections the reader will find the cornerstones of the City: the departments and the divisions. Here is where narrative descriptions highlight what each department accomplished in the year that is ending, as well as the goals and objectives for the upcoming budget year. Coupled with this is a presentation of the resources budgeted for the department. The purpose is to show the evolution of City services as of the start of the new fiscal year. Using an expenditure table as an example, the presentation of the data is as follows:

Audited data from the last completed fiscal year.

Budget for each category as adopted for the current fiscal year. The fiscal year begins July 1 of each calendar year.

Expenditure by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	6,548,258	6,674,652	6,844,130	3%
Operations	799,871	771,684	782,356	1%
Capital	99,567	256,680	263,750	3%
Pro Rata Reimbursement	8,804	9,331	9,331	0%
Expenditure Total	7,456,500	7,712,347	7,899,567	2%
Per Capita	191	198	202	

The budget for the new fiscal year which begins on July 1.

The percentage of change from budget to budget.

Please note that all tables in the budget present the same three-year format. Since the budget data is in summary form (as discussed earlier), we should understand what the summaries constitute.

Includes salaries, wages, and fringe benefits (FICA, insurance, et al.)

All expenditures not directly related to Personnel, Capital, or Pro-Rata Admin. Reimbursement. Includes everything from postage to traffic signs.

Expenditure by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
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Expenditure Total	7,456,500	7,712,347	7,899,567	2%
Per Capita	191	198	202	

Adjustments for the value of services provided or received to or from other City departments. (Example: The cost for the Human Resources Department to recruit for a vacancy in another department.)

Includes expenditures for land, buildings, equipment, vehicles, and other expenditures exceeding \$500, with a life expectancy of more than 1 year.

Budget Format: The Specifics

GENERAL FUND

The **General Fund** is the general operating fund of the City and is used to account for all revenues and expenditures except those required to be accounted for in another fund. This fund is established at the inception of a government and exists throughout the government's life.

General Fund Revenues

- **Ad Valorem Taxes** - Collections of current and prior year property tax levies, refunds, late listing penalties, and interest on delinquent taxes. (53.4%)
- **Other Taxes** - Three sales tax allocations (Article 39 one cent, Article 40 one-half cent and Article 42 one-half cent), utility franchise tax, telecommunications tax, \$5 vehicle fee, and a local option hotel/motel occupancy tax levied for tourism development. (30.7%)
- **Unrestricted Intergovernmental** - Beer and wine tax, payments in lieu of taxes, and traffic control revenue received from NCDOT. (1.2%)
- **Restricted Intergovernmental** - Federal, state, and local assistance restricted for specific uses including the Powell Bill street allocation, North Carolina Department of Transportation (NCDOT) street maintenance, various public safety and culture/recreation grants, Catawba County fire district tax, and Catawba County's participation in the provision of Hickory library services. (4.19%)
- **Licenses and Permits** - Revenues generated for privilege beer and wine licenses, and taxi permits. (0.01%)
- **Sales and Services** - User fees charged for the provision of various city services including, but not limited to: parking rentals, cemetery lot sales, police and fire charges and fines, cable franchise fees, and revenues generated for recreation and library services. (3.41%)
- **Investment Earnings** - Interest earned on the investment of the fund's idle cash balance. (0.25%)
- **Miscellaneous** – Includes unanticipated revenues such as donations, discounts earned, the sale of capital assets, and insurance reimbursements. (0.65%)
- **Other Financing Sources** - Proceeds from the issuance of bonds, installment purchase contracts, or lease purchase agreements, transfers from capital project funds, or fund balance appropriated. (6.17%)

General Fund Expenditures

- **General Government** - Expenditures for the City Council and Administration consisting of the City Manager's Office, Budget Office, Risk Management, Human Resources, Finance, City Clerk, Communications, Information Technology, Legal, Public Buildings, District Court Building, Union Square, Engineering, Central Services, and Landscape Services, as well as various special appropriations. (13.38%)
- **Public Safety** - Expenditures for the Police Department, the Fire Department, the Hickory Rural District, and various special appropriations. (48.91%)

Budget Format: The Specifics

- **Transportation** - Expenditures for the Traffic and Street Divisions of Public Services. (12.76%)
- **Economic and Community Development** - Expenditures for the Planning and Development Department; Economic Development Incentives, and several special appropriations. (6.42%)
- **Culture and Recreation** - Expenditures for the Recreation Department, Parks Maintenance, L.P. Frans Stadium, Hickory Public Library, and various special appropriations. (13.06%)
- **Other Financing Uses** – Money transferred to other funds to subsidize and/or finance activity required to be accounted for in another fund. (2.13%)
- **Debt Service** - Expenditures for the required repayment of debt principal and interest incurred for the construction of large capital projects or major capital purchases. (2.03%)
- **Contingency** - Budgetary reserve set aside for emergencies or unforeseen expenditures. (1.31%)

ENTERPRISE FUNDS

The **Water and Sewer, Stormwater, Sludge Compost, Transportation, and Solid Waste** Enterprise Funds combine to account for proprietary fund activity. These funds are financed and operated in a manner similar to private business enterprises, where the intent of the Governing Body is to recover costs of providing the service through user charges. These funds provide water and sewer service to over 30,000 customers inside and outside the city limits, regulate stormwater runoff, produce a high quality compost material, provide air transportation services, and provide solid waste services, respectively.

Water and Sewer Fund Revenues

- **Restricted Intergovernmental** - City of Conover repayment portion of debt service for Hickory's Water Treatment Plant, Catawba County's portion of the Hickory Catawba Wastewater Treatment Plant, City of Claremont and Town of Hildebran operations maintenance contracts, and the Town of Maiden's buy in to the City's Water Plant. (4.28%)
- **Sales and Services** - Initial tap fees and user fees charged for the provision of water and sewer service. (87.41%)
- **Investment Earnings** - Interest earned on the investment of the fund's idle cash balance. (0.24%)
- **Miscellaneous** - Plant capacity fees charged with water or sewer taps and any unanticipated revenues. (1.36%)
- **Other Financing Sources** - Proceeds from the issuance of bonds, installment purchase contracts, or lease purchase agreements, transfers from capital project funds, or fund balance appropriated. (6.71%)

Water and Sewer Fund Expenditures

- **Environmental Protection** - Expenditures for Administration, Collection Division, the Henry Fork Wastewater Treatment Plant, the Northeast Wastewater Treatment Plant, the Hickory-Catawba Wastewater Treatment Plant, the Water Treatment Plant, the Lab Division, and the Distribution Division of the Public Services Department, and special appropriations. (81.99%)

Budget Format: The Specifics

- **Other Financing Uses** – Money transferred to other funds to subsidize and/or finance activity required to be accounted for in another fund. (3.51%)
- **Debt Service** - Expenditures for the required repayment of debt principal and interest incurred for the construction of large capital projects or major capital purchases. (13.9%)
- **Contingency** - Budgetary reserve set aside for emergencies or unforeseen expenditures. (0.6%)

Stormwater Fund Revenues

- **Other Financing Sources** - Transfers from other funds, or fund balance appropriated. (100%)

Stormwater Fund Expenditures

- **Environmental Protection** - Expenditures for Administration/Engineering, Stormwater - Transportation Division, Stormwater - Solid Waste Division, and the Stormwater - Landscape Division. (100%)

Sludge Composting Fund Revenues

- **Restricted Intergovernmental** - Intergovernmental funding for operational expenses from the City of Hickory for 66%, Catawba County for 18.5%, and the City of Conover for 15.5%. (100%)

Sludge Composting Fund Expenditures

- **Environmental Protection** - Expenditures for contracted services with a private contractor to operate the Sludge Composting Facility. (100%)

Transportation Fund Revenues

- **Sales and Services** - User fees charged for the provision of various Airport services such as Airport property rentals. (99.66%)
- **Investment Earnings** - Interest earned on the investment of the fund's idle cash balance. (0.09%)
- **Restricted Intergovernmental Revenues** – Contributions from Catawba and Burke Counties for tower operations. (0.24%)

Transportation Fund Expenditures

- **Transportation** - Expenditures for Airport operations. (98.86%)
- **Contingency** - Budgetary reserve set aside for emergencies or unforeseen expenditures. (1.14%)

Budget Format: The Specifics

Solid Waste Fund Revenues

- **Other Taxes** - Solid Waste Excise Tax revenue received from the State of North Carolina. (0.5%)
- **Sales and Services** - User fees charged for the provision of various solid waste collection services including: curbside, recycling center, cardboard, white goods, yard waste, tipping fees for the county landfill and commercial bulk services. (87.68%)
- **Investment Earnings** - Interest earned on the investment of the fund's idle cash balance. (0.2%)
- **Miscellaneous** - Unanticipated revenues. (0.05%)
- **Other Financing Sources** – Transfer from Capital Reserve Fund towards replacement truck, and an appropriation from the Solid Waste Fund Balance for operational support. (11.57%)

Solid Waste Fund Expenditures

- **Environmental Protection** - Expenditures for Recycling Services, Residential Sanitation, Commercial Bulk Services, contracted services with Republic, and Catawba County landfill tipping fees. (99.6%)
- **Contingency** - Budgetary reserve set aside for emergencies or unforeseen expenditures. (0.4%)

INTERNAL SERVICE FUNDS

The **Fleet Maintenance Fund**, **Insurance Fund**, and **Capital Reserve Fund** are internal service funds that have been set up in order to more accurately account for expenditures for vehicle and equipment maintenance, insurance costs and capital reserves. This enables the City to better grasp the true cost of providing these internal services on the departmental and divisional levels.

Fleet Maintenance Fund Revenues

- **Sales and Services** – Charges for vehicle and equipment repairs, which are charged to individual departments. (100%)

Fleet Maintenance Fund Expenditures

- **General Government** – Expenditures for vehicle and equipment maintenance and repair. (100%)

Insurance Fund Revenues

- **Sales and Services** – Charges for health, dental, workers compensation, property, casualty, and liability insurance. These revenues are derived from charges to individual departments. (91.9%)
- **Investment Earnings** - Interest earned on the investment of the fund's idle cash balance. (0.55%)

Budget Format: The Specifics



- **Other Financing Sources** – Support from Fund Balance allocation. (7.55%)

Insurance Fund Expenditures

- **General Government** – Expenditures for health, dental, worker's compensation, property, casualty and Liability of insurance. (100%)

Capital Reserve Fund Revenues

- **Other Financing Sources** - Transfer from the General Fund and Water & Sewer Fund for future capital projects or purchases, and an appropriation from the Capital Reserve Fund Balance towards General Fund capital expenditures during FY2017-18. (100%)

Capital Reserve Fund Expenditures

- **Other Financing Uses** – Money transferred to other funds or reserved for future capital projects or capital purchases. (100%)

Consolidated Budget Summary



The *Consolidated Budget Summary* section begins the budget presentation by examining the budget at the broadest level. Here, the assumptions and trends that helped determine the basic framework described in the *Budget Guide* section are presented. Later sections will provide further detail about the individual funds, departments, and divisions.

The discussion here begins with revenues, which are followed by financial totals, functional trends, fund balance projections, and staffing totals. Revenues must fully support expenditures in a balanced budget, so no budget can begin without an understanding of the resources available. Certain methods, techniques and approaches have been used to aid the City in estimating future revenues. By analyzing current trends and the underlying forces, the City can make realistic projections of revenues.

Revenue Assumptions

The most important aspect to understand regarding how revenues are budgeted in the City of Hickory's Annual Budget is that for most of the City's major sources of revenue, all that will be budgeted for FY2017-2018 is what we project to receive by the end of FY2016-2017. This conservative approach to budgeting helps ensure that budget projections are met, helps to guard against unanticipated economic downturns, and in most years, allows us to place funds into Fund Balance at year end. City Management believes that budgeting unrealized increases in revenues for an upcoming fiscal year, especially with major sources of revenue, is risky at best and could be counter-productive in the end.

The following are other assumptions concerning some of our most significant sources of revenue that are forecast in the City of Hickory's FY2017-2018 Annual Budget.

REVENUES

FORECAST RATIONALE

AD VALOREM TAXES

Ad Valorem Taxes

The City contracts with Catawba County to assess and collect property taxes. By the beginning of FY2017-2018, Hickory's assessed property value is projected to have increased by 1.22% (or \$55,905,978) to \$4,621,825,338.

The General Fund's property tax rate will be \$.5665 per one hundred dollars (\$100) valuation of property with an estimated collection rate of 98.4%. The total Ad Valorem Tax category of revenues is budgeted at \$26,400,000 for FY2017-2018. The Ad valorem category of revenue includes: current year's collections, prior year's collections, penalties and interest, and refunds.

Consolidated Budget Summary



OTHER TAXES

Sales Tax

The State collects and distributes the proceeds from the locally levied tax on retail sales. The Article 39 original one-cent local option sales tax is distributed on a point-of-sale basis. Article 40, a one-half of one percent rate and Article 42, also a one-half of one percent rate, are revenue placed in a statewide pool and then distributed state-wide on a per capita basis. Revenue projections for FY2017-2018 are based on anticipated local retail sales and other economic conditions, and reflect a 1.1% increase over the FY2016-2017 budgeted amount.

Utility Franchise Tax

The City shares in the sales tax levied by the State on piped natural gas and electricity sales. This tax is collected by the State and then distributed quarterly through a predetermined formula to North Carolina municipalities. This revenue is highly sensitive to the weather. Cool summers and mild winters can lead to a year with little or no growth in receipts from this tax. Any annexations of industrial or other facilities that are heavy users of utility services could also create growth in this source of revenue. For FY2017-2018 we project a 12% increase from what was budgeted in FY2016-2017.

Telecommunications Tax

This tax was previously a part of the Utility Franchise Tax, but was broken out as a separate tax received from the State of North Carolina in FY2003-2004. The Telecommunications Tax is levied by the State on all telephone service. Each city's share of this is tax based on the actual receipts from telephone and cable television service within their municipal boundaries during the fiscal year. For FY2017-2018 we anticipate 5% growth in this revenue.

UNRESTRICTED INTERGOVERNMENTAL REVENUES

Beer and Wine Tax

Cities share in the sales tax revenue from the sale of both beer and wine, based on population. Revenue for FY2017-2018 is projected to remain flat compared to the FY2016-2017 budgeted amount.

Traffic Control Revenue

The City of Hickory, through a cooperative agreement, maintains the NCDOT's traffic control systems located within the city limits of Hickory. The City receives annual reimbursements for this service from the NCDOT through the form of Traffic Control Revenue. This revenue may vary from year to year depending upon annual maintenance schedules and scheduled projects, and is projected based on what the City's Traffic Division anticipates.

Consolidated Budget Summary



RESTRICTED INTERGOVERNMENTAL REVENUES

Powell Bill

Gasoline sales continue to increase and the Highway Trust Fund continues to grow modestly. Revenue distribution projections to local governments are based on a formula that combines both “per capita” values and “per mile” values. Hickory has had little growth in its population or the miles of streets it maintains. This revenue for FY2017-2018 is projected to be flat compared to the FY2016-2017 budgeted amount.

Sludge Compost

These revenues are based on the percentage of participation for the fixed contract to operate the Sludge Compost Facility by Veolia Water. The percentage of participation is: City of Hickory - 66%, City of Conover – 15.5%, and Catawba County – 18.5%. Variable costs of operations are charged by percentage of use by each local government. These revenues have been estimated to meet projected operational requirements for FY2017-2018 and remain flat compared to FY2016-2017.

LICENSES AND PERMITS

Privilege Licenses were previously a significant source of revenue for the City but were repealed in FY2015-2016. As was the case in FY2016-2017, no revenue is projected for FY2017-2018.

SALES AND SERVICES

(Most fees are increased by 2.1%, which is the 2016 Consumer Price Index, unless otherwise indicated)

Parking Rentals

The City owns and operates eleven (11) parking lots in the downtown area. Some are unrestricted lots and some are leased lots. Revenue received from this enterprise, as well as parking tickets issued, remains relatively constant from year to year and is transferred to the City's Capital Reserve Parking Fund for future parking projects, after the cost of collection/enforcement is deducted.

Recycling Revenue

Revenue received for recycling services. These charges are based, in part, on costs for collection, preparation and transportation of recycling material to market.

Water and Sewer Charges

Water and sewer rates will see a 1.7% increase with the FY2017-2018 Annual Budget over the FY2016-2017 rates. This increase will help to keep the Water and Sewer Fund 100% self-supporting.

Water and Sewer Taps

The City charges fees to customers for connecting to the City's water or sewer system. FY2017-2018 tap fee revenue is projected to remain flat compared to the FY2016-2017 budgeted amount.

Consolidated Budget Summary



INVESTMENT EARNINGS

Investment Earnings

Investment earnings are conservatively projected on the basis of average available cash balances at an anticipated average rate of return of 1%.

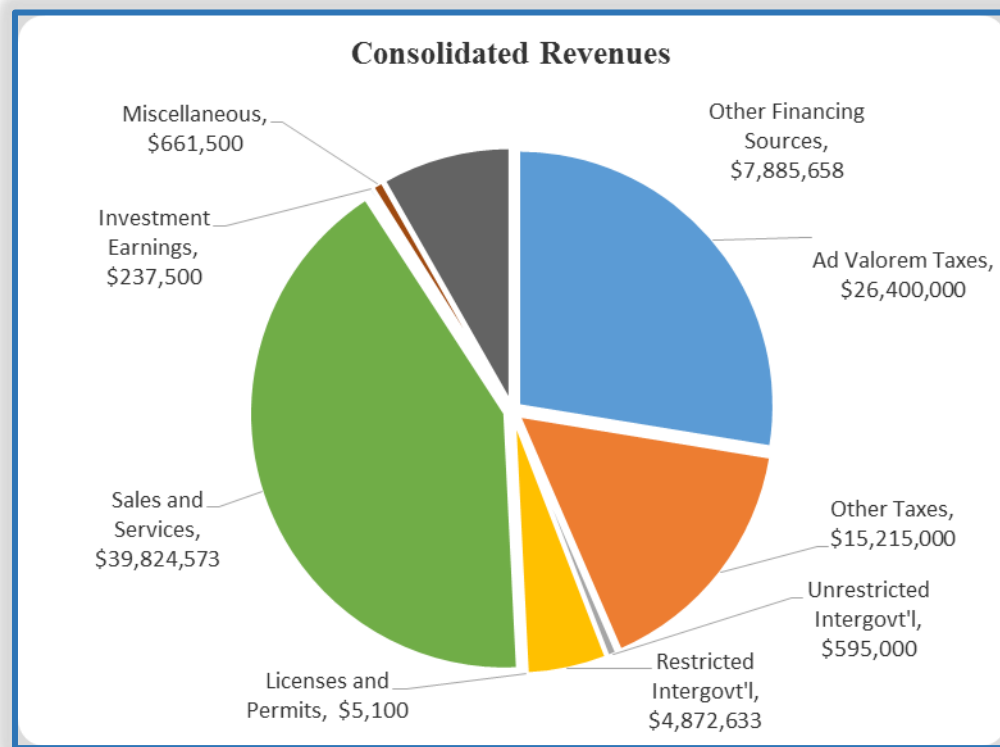
FUND BALANCE/ RETAINED EARNINGS

Fund Balance Appropriated

Fund Balance/Retained Earnings appropriated generally does not exceed an amount that management can reasonably expect to save during the year.

Consolidated Budget Summary

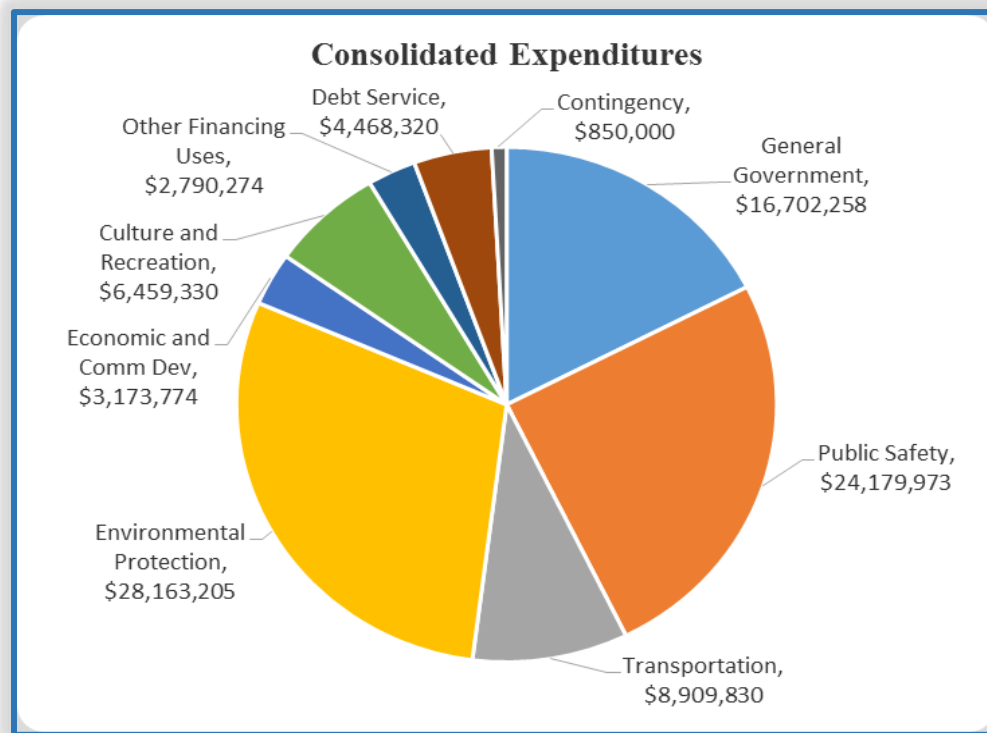
This consolidated revenue graph and table contain all funds, including the internal service funds (Fleet Maintenance and Insurance) and the Capital Reserve Fund. Insurance and fleet costs are budgeted in each of the departments/divisions in order to better capture the actual cost to provide services. The Fleet Maintenance Fund and Insurance Fund then budget revenues from each of these departments and the expenditures associated with the actual costs to provide these services. This inflates the "Sales and Services" revenue source, but omitting these funds from this section would not give the reader a comprehensive view of the City's finances.



Consolidated Revenues	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Ad Valorem Taxes	25,913,125	25,390,000	26,400,000	4.0%
Other Taxes	15,903,388	14,525,000	15,215,000	4.8%
Unrestricted Intergovernmental	595,737	595,000	595,000	0.0%
Restricted Intergovernmental	5,547,312	4,968,316	4,872,633	-1.9%
Licenses and Permits	7,886	7,200	5,100	-29.2%
Sales and Services	38,455,699	39,924,369	39,824,573	-0.2%
Investment Earnings	647,504	221,000	237,500	7.5%
Miscellaneous	1,822,150	661,000	661,500	0.1%
Other Financing Sources	9,332,152	7,218,949	7,885,658	9.2%
Revenue Total	98,224,953	93,510,834	95,696,964	2.3%
Per Capita	2,442.07	2,318.64	2,358.99	

Consolidated Budget Summary

This consolidated expenditure graph and table are broken down by functional area and include expenses in all funds, including the internal service funds (Fleet Maintenance and Insurance) and the Capital Reserve Fund. As was explained on the previous page, insurance and fleet costs are budgeted in each of the departments/divisions in order to better capture the actual cost to provide services. The Fleet Maintenance Fund and Insurance Fund then budget revenues from each of these departments and the expenditures associated with the actual costs to provide these services. This inflates the "General Government" expenditure, but again, omitting these funds from this section would not give the reader a comprehensive view of the City's finances.



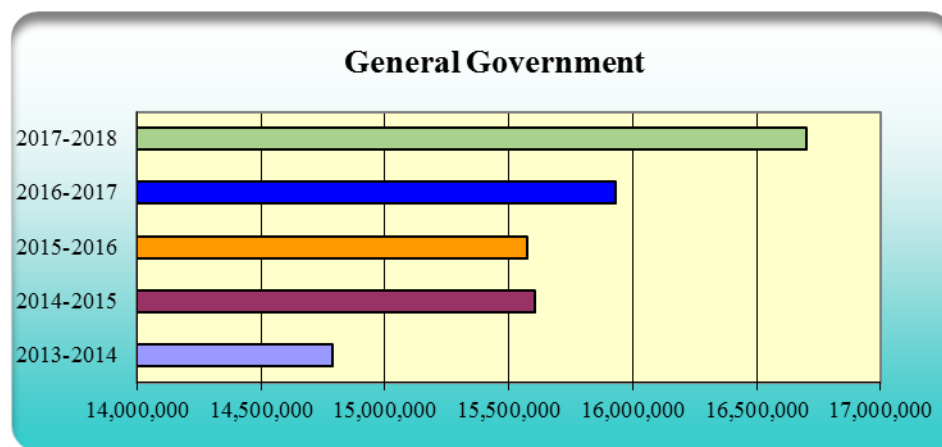
Consolidated Expenditures	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Government	18,349,780	16,202,924	16,702,258	3.1%
Public Safety	22,682,360	23,271,046	24,179,973	3.9%
Transportation	6,642,764	8,823,064	8,909,830	1.0%
Environmental Protection	26,719,346	27,221,996	28,163,205	3.5%
Economic and Community Develop.	3,219,210	2,981,290	3,173,774	6.5%
Culture and Recreation	5,788,780	5,937,195	6,459,330	8.8%
Other Financing Uses	11,959,027	3,008,008	2,790,274	-7.2%
Debt Service	2,145,328	5,035,311	4,468,320	-11.3%
Contingency	-	1,030,000	850,000	-17.5%
Expenditure Total	97,506,595	93,510,834	95,696,964	2.3%

Consolidated Budget Summary

Functional Expenditure Trend Summary

While the City of Hickory's budget consists of approximately 45 individual departments and divisions, each conducts the business of City government as a part of a functional area. For example, the Police Department is part of the functional area known as Public Safety, as is the Fire Department. Both share the common theme of protecting citizens. Grouping activities by these functions (themes), allows the decision-making process to be managed at broader, more comprehensive levels.

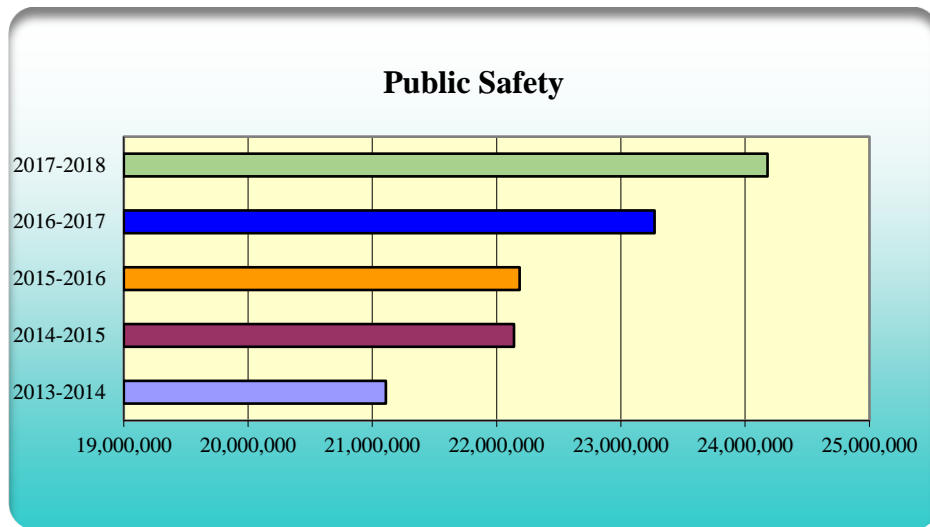
The following is a presentation of the trends for the major functions in the City's budget. By examining the long-term and short-term progressions of each, the overall dynamics of Hickory's budget can be better understood. A five-year graph shows the function as it progresses from the FY2013-2014 budget; a table compares the budget expenditure categories for the current budget proposal. The presentation references key departments, which are discussed in depth in either the General Fund, Enterprise Funds, or Other Funds sections.



General Government	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Budgeted Amount	14,789,722	15,605,835	15,574,931	15,932,924	16,702,258
Dollar Change	(484,572)	816,113	(30,904)	357,993	769,334
Percent Change	-3.2%	5.5%	-0.2%	2.3%	4.8%

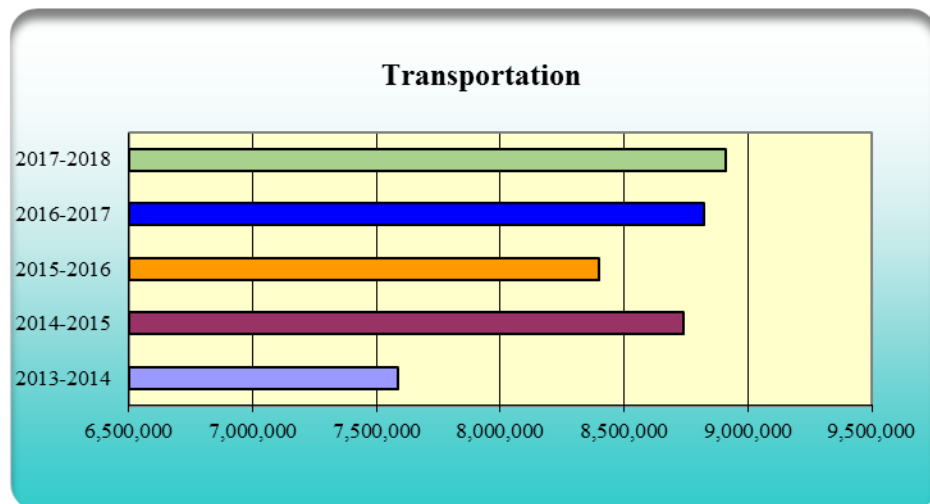
Departments/Divisions: Governing Body, City Manager's Office, Bond Project Management, Budget Office, Finance, Legal, Risk Management, City Clerk, Information Technology, Human Resources, Communications Office, Building Services, Engineering, Public Buildings/City Hall, District Court, Fleet Maintenance and Landscape Services.

Consolidated Budget Summary



Public Safety	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Budgeted Amount	21,108,838	22,139,837	22,185,081	23,271,046	24,179,973
Dollar Change	144,786	1,030,999	45,244	1,085,965	908,927
Percent Change	0.7%	4.9%	0.2%	4.9%	3.9%

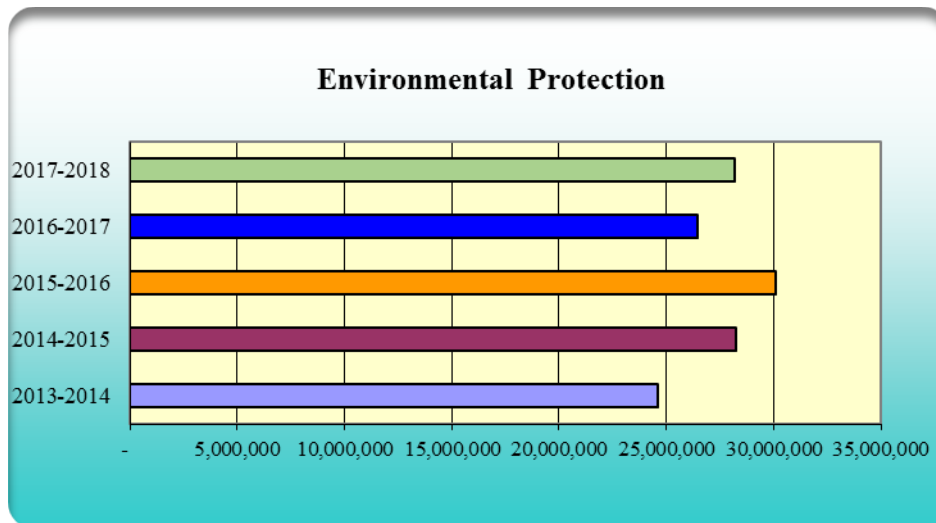
Departments/Divisions: Police, Fire and Volunteer Fire Departments



Transportation	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Budgeted Amount	7,584,918	8,738,491	8,396,561	8,823,064	8,909,830
Dollar Change	(16,690)	1,153,573	(341,930)	426,503	86,766
Percent Change	-0.2%	15.2%	-3.9%	5.1%	1.0%

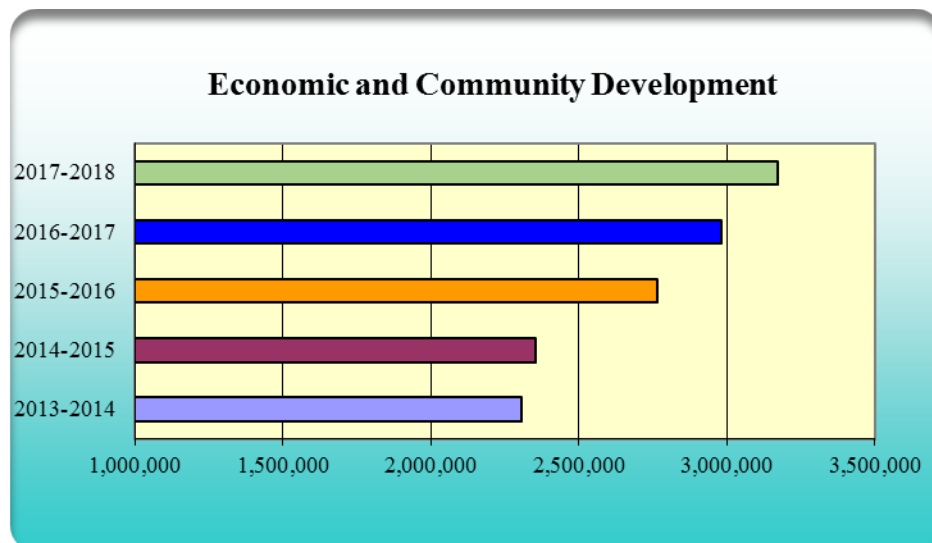
Departments/Divisions: Airport, FBO, Street and Traffic

Consolidated Budget Summary



Environmental Protection	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Budgeted Amount	24,603,670	28,246,552	30,120,569	26,481,997	28,163,205
Dollar Change	94,913	3,642,882	1,874,017	(3,638,572)	1,681,208
Percent Change	0.4%	14.8%	6.6%	-12.1%	6.3%

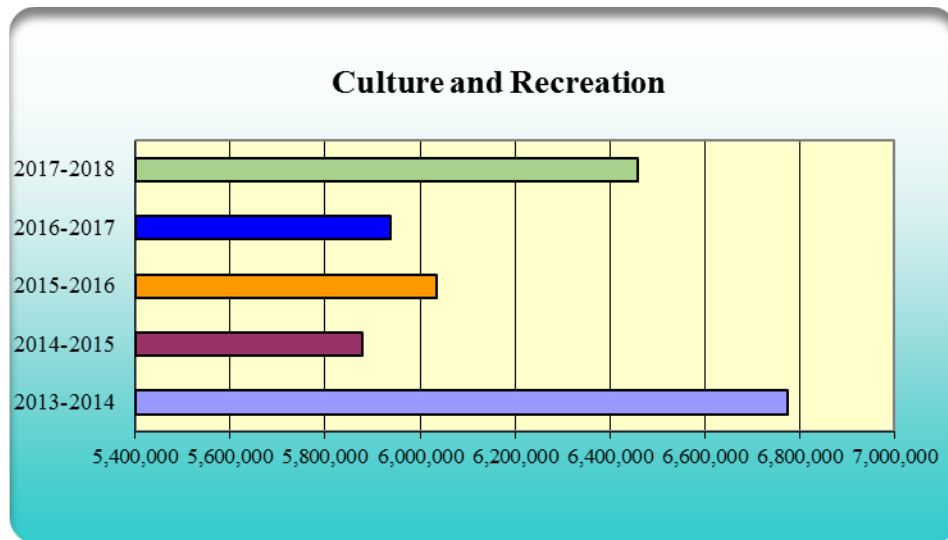
Departments/Divisions: Public Utilities (Water and Sewer), Stormwater, Residential Sanitation, Commercial Bulk Services, Recycling and Sludge Composting Facility



Economic/Community Dev.	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Budgeted Amount	2,304,862	2,354,332	2,763,670	2,981,290	3,173,774
Dollar Change	66,600	49,470	409,338	217,620	192,484
Percent Change	3.0%	2.1%	17.4%	7.9%	6.5%

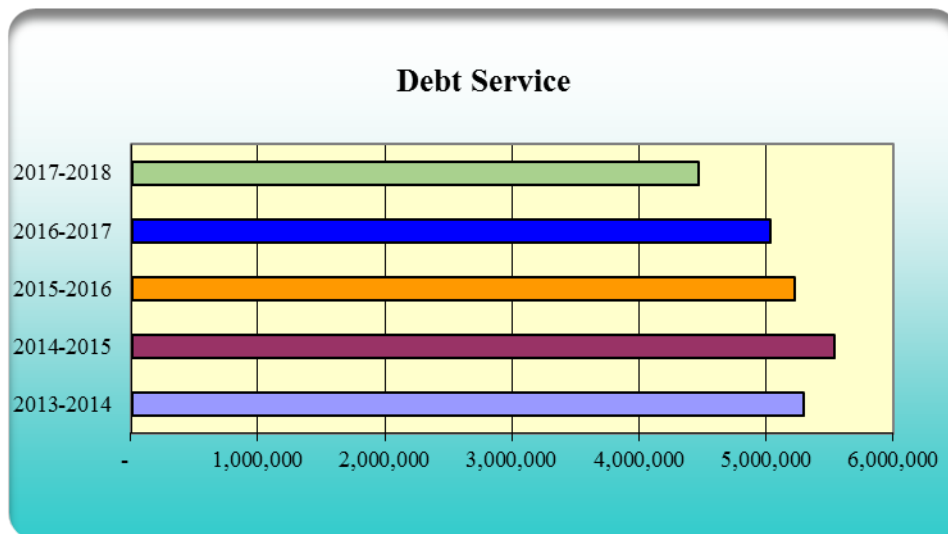
Departments/Divisions: Tourism Development Authority, Special Appropriations (General Fund) and Planning

Consolidated Budget Summary



Culture and Recreation	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Budgeted Amount	6,775,835	5,878,288	6,034,469	5,937,195	6,459,330
Dollar Change	676,955	(897,547)	156,181	(97,274)	522,135
Percent Change	11.1%	-13.2%	2.7%	-1.6%	8.8%

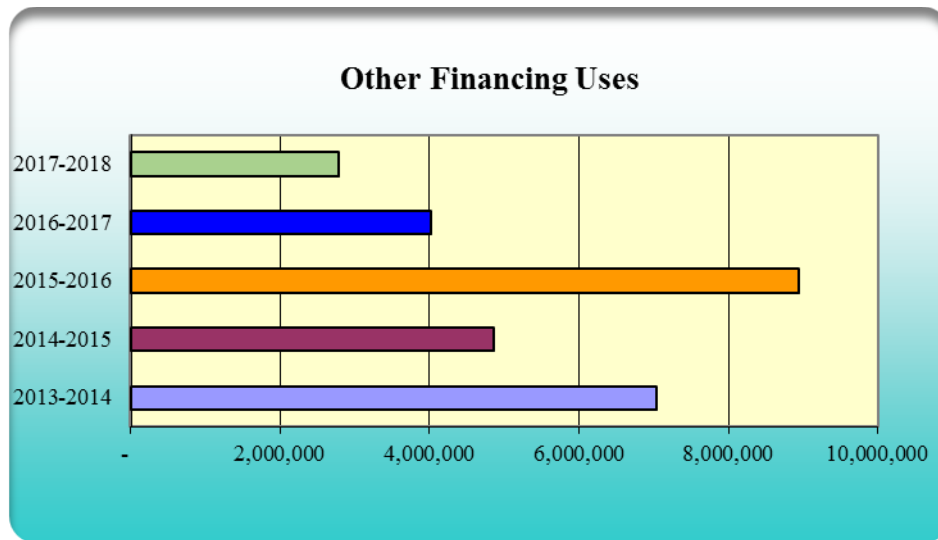
Departments/Divisions: Parks and Recreation, Parks Maintenance, L.P. Frans Stadium and Library



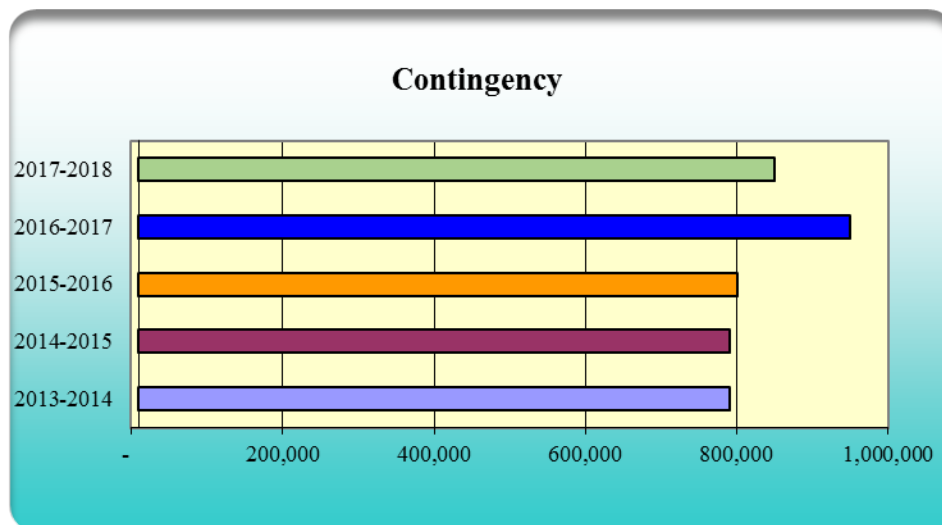
Debt Service	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Budgeted Amount	5,296,157	5,532,329	5,229,714	5,035,311	4,468,320
Dollar Change	1,672,102	236,172	(302,615)	(194,403)	(566,991)
Percent Change	46.1%	4.5%	-5.5%	-3.7%	-11.3%

Funds with Debt: General Fund and Water and Sewer Fund

Consolidated Budget Summary



Other Financing Uses	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Budgeted Amount	7,044,461	4,859,657	8,940,142	4,018,008	2,790,274
Dollar Change	(7,782,779)	(2,184,804)	4,080,485	(4,922,134)	(1,227,734)
Percent Change	-52.5%	-31.0%	84.0%	-55.1%	-30.6%



Contingency	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Total Budgeted Amount	790,000	790,000	800,000	1,030,000	850,000
Dollar Change	-	-	10,000	230,000	(180,000)
Percent Change	0.0%	0.0%	1.3%	28.8%	-17.5%

Funds with Contingency: General Fund, Water and Sewer Fund, Transportation, and Solid Waste

Consolidated Budget Summary



Consolidated Fund Balance Discussion

In all City funds at the close of 2015-2016, there was a total of \$71,064,792 in fund balance/unrestricted net position. The Local Government Commission recommends the minimum level of General Fund Balance available for appropriation at 8% of prior years' expenditures. The Hickory City Council has a financial policy striving to maintain a fund balance of 25% of its general operating budget. The reason for this policy is to avoid cash flow interruptions, to generate investment income, to eliminate the need for short-term borrowing, and to have a reserve available in case of sudden emergencies or opportunities.

Going into FY 2017-2018, the City has continued to strategically utilize its General Fund Balance to front-load the administrative and "soft" costs in lead up to implementation of the Bond Projects. While the construction costs will be funded through issuance of the bonds themselves, the initial engineering, design, and planning work must be funded through existing city dollars. In FY 2017-18, the City continues to strike a balance between the regular use of Fund Balance for its usual operating and capital needs in addition to fronting the Bond Project planning costs. Even with this additional use of Fund Balance over the past couple of Fiscal Years, the City has successfully continued to meet and exceed its minimum policy of 25% of available General Fund Balance. The *estimated* Unassigned General Fund Balance as of June 30, 2017 is expected to be approximately 30.3% of the General Fund budgeted amount as we enter FY 2017-2018.

For all City of Hickory funds, the fund balance/unrestricted net position trends and totals are as follows:

Fund Balance / Unrestricted Net Position	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
General Fund-Unassigned FB	13,515,066	14,031,436	14,106,300	15,000,000
Capital Reserve Fund-Committed FB	13,381,759	11,437,451	4,810,507	5,855,989
Water and Sewer-Unrestricted Net Position	19,464,584	24,323,219	33,405,340	29,836,151
Sludge-Unrestricted Net Position	16,348	-	(1)	(1)
Stormwater-Unrestricted Net Position	327,607	394,379	427,533	585,410
Solid Waste-Unrestricted Net Position	1,576,885	1,551,585	2,020,084	1,700,489
Fleet Maint.-Unrestricted Net Position	(449,732)	(573,653)	(735,164)	(893,174)
Transportation-Unrestricted Net Position	764,010	125,238	258,768	510,678
Insurance-Unrestricted Net Position	5,334,380	3,882,502	2,302,633	1,685,162
Fund Totals	53,930,907	55,172,157	56,596,000	54,280,704

Consolidated Budget Summary



Staffing Analysis

There are 656 full-time positions included in the recommended FY 2017-18 budget.

Two new positions were added in the Public Utilities division of Public Services. A Maintenance Mechanic was added to Collection Systems (8021) to replace a position lost due to a previous reorganization. This position was needed to perform timely maintenance of the facilities. There is a significant workload and another Maintenance Mechanic was needed to address all the needs occurring at the facilities proactively versus reactively. Cost of maintenance is expected to decrease with this staff addition. The second position added was a Pretreatment Technician. Staff is being pulled from other duties to perform the work of the Pretreatment Technician causing short-staffing. With the increase in size of the distribution system, this position is needed to perform mandatory sampling. Two existing staff positions were reallocated to other divisions to accommodate service needs: A crew leader moved from Distribution to Collection and a construction worker position in Distribution (8030) was moved to Collection (8021). No reclassifications were needed as the positions were in the same grade(s).

The Fire department reorganized positions and reallocated existing staff. Previously the Fire Department operated with one Fire Chief and two Deputy Fire Chiefs. With the retirement of the one of the Deputy Chiefs, the position was reclassified to Battalion Chief of Fire and Life Safety. Previously this division was led by a Deputy Chief. The Fire Department management staff now consists of nine (9) Battalion Chiefs, one (1) Deputy Chief and one (1) Fire Chief. No new positions were created during this reorganization.

The Parks and Recreation Department reorganized and reallocated positions between recreation centers. No new positions were added.

Due to the changing nature of work, the Street department converted the Brick Mason position to an Equipment Operator position. The position grade and salary did not change.

The position of Land Survey Technician moved to the City Manager's Office and was retitled as Bond Project Manager. This position was reallocated to assist with the Bond Project work moving forward.

Using a population of 40,567, the City's employee per population ratio is 16.17, which is below the adopted City Council policy of a maximum of twenty (20) employees per 1,000 population.

Consolidated Budget Summary



Staffing Analysis	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-2018 Budgeted
Administration - City Manager's Office	5	5	5	5	5	5
Communications	3	3	3	3	3	3
Budget	1	1	1	1	1	1
Bond Project Manager					1	1
Human Resources	5	5	5	5	5	5
Risk	1	1	1	2	2	2
City Clerk	1	1	1	1	1	1
Engineering	9	8	8	8	7	7
Finance	22	21	21	21	20	20
Legal	2	2	2	2	2	2
Public Services						
Building Services	6	6	6	6	6	6
Landscape Services	17	17	17	17	17	17
Central Services	7	7	7	7	7	7
Fleet Maintenance	11	11	11	12	12	12
Information Technology	8	8	8	8	8	8
Public Safety						
Fire	136	135	135	135	135	135
Police (116 Sworn and 36 Civilian)	151	152	152	153	152	152
Transportation						
Airport	7	8	8	8	8	8
Public Services - Streets	43	43	43	43	43	43
Public Services - Traffic	11	11	11	11	11	11
Environmental Protection						
Public Services						
Sanitation - Commercial	12	12	12	11	11	11
Sanitation - Residential	8	8	8	12	12	12
Stormwater	1	1	1	1	1	1
Public Utilities Administration	10	10	10	10	11	11
Henry Fork Plant	10	10	10	10	10	10
Northeast Plant	11	11	11	11	11	11
Pretreatment and Labs	7	7	7	7	7	7
Collection System (Pump Stations)	13	13	13	13	13	16
Distribution System (Construction)	34	34	34	35	35	33
Water Plant	11	11	11	11	11	12
Claremont	2	2	2	2	2	2
Catawba				3	3	3
Recycling	16	16	16	13	13	13
Economic and Community Development						
Planning	8	8	8	8	8	8
Culture and Recreation						
Library	19	18	18	18	18	18
Parks and Recreation	18	18	18	18	18	18
Parks and Recreation - Maintenance	24	24	24	24	24	24
Total	650	648	648	655	654	656

When we think of Hickory City government, we often think only of the City Hall building at 76 North Center Street. City government, however, is not made of concrete and steel, but the men and women who put out fires, repair potholes, and perform hundreds of other services all across the City. Because the number of services is so vast and involves over 45 City departments and divisions, the sometimes overwhelming search for information leaves many citizens with the same question: "Where do I go to find out about...?"

Because City government never exists in one place at one time, it is impossible to adequately present all of the services provided by City employees. However, thanks to the Internet, we can point the reader to the people who can best answer questions. The following is a short "virtual tour" of City services, which attempts to provide some background about City departments and divisions. You can access City departments directly through the e-mail addresses indicated.

ACTION CENTER

The Action Center provides a single point of contact for inquiries and service requests from citizens and businesses. The Action Center is the first step to getting answers to questions about City government. Call (828) 323-7400. The Action Center is particularly recommended for those who might have more general questions about City government, or who do not have access to the Internet.

AIRPORT (tclark@hickorync.gov)

The Airport Department is responsible for the maintenance and operation of the City's airport according to City policy and Federal Aviation Administration (FAA) regulations. The Airport Director supervises general airport operations, Airport Tower operations and the FBO (Fixed Base Operations). Promotion of the services that are offered at the Hickory Regional Airport is the responsibility of this department. The airport features commercial air service, free parking, a café, a conference room for meetings, and several car rental agencies.

BUDGET OFFICE (cmchargue@hickorync.gov)

The Budget Office assists the City Manager's Office in the preparation of the annual budget for adoption by the City Council. The budget is monitored throughout the fiscal year through budget reports, amendments and trend analysis. This office also compiles and reviews departmental performance measures, goals, objectives, and conducts special management studies.

CITY CLERK'S OFFICE (dmiller@hickorync.gov)

The City Clerk's Office is located on the third floor of the Julian G. Whitener Municipal Building. The City Clerk provides information about City Council meetings and minutes, City ordinances, applications for Boards and Commissions, and official City records. The orientation of all boards and commissions, as well as the publicizing of these groups' meetings, is also a role of the City Clerk's Office.

CITY COUNCIL (see www.hickorync.gov for e-mail addresses)

The Mayor and six members of the City Council are the elected representatives of City of Hickory residents. The City Council is the legislative and policy-making body of the City and, as such, is charged with making decisions and formulating public policy based on community needs. The Governing Body adopts the annual budget that is designed to allocate available funds as efficiently and effectively as possible in order to ensure that residents receive the highest levels of service at the lowest possible cost. The City Council meets on

About City Services



the first and third Tuesday of each month and holds special planning sessions, as well as an annual Council-Staff Work Session. Communications with the City Council can be directed to the City Manager's Office.

CITY MANAGER'S OFFICE (wwood@hickorync.gov)

The City Manager's Office is located on the third floor of the Julian G. Whitener Municipal Building. It is the responsibility of the City Manager's Office to professionally manage all City operations and to execute policy as directed by the City Council and prescribed by the North Carolina General Statutes. The City Manager's Office advises City Council on issues related to municipal operations. In addition to daily interaction with department heads and staff, the City Manager's Office holds monthly functional meetings covering the following areas: Administrative Issues, Economic and Community Development, Environmental Issues, Transportation, Leisure Time Activities, Public Safety, Public Properties, Neighborhoods, and General Staff. In addition, the City Manager's Office plans the annual Council-Staff Work Session and special Council planning sessions during the budget development process.

COMMUNICATIONS OFFICE (dkaminske@hickorync.gov)

The Communications Office provides citizens, businesses, organizations, visitors and employees with information about Hickory, its goals, projects, public awareness campaigns, programs, and events through various media venues, www.hickorync.gov, speaking engagements and more. The Communications Office also heads the Brand initiative for the City of Hickory. In addition to coordinating the Neighborhood College, this office conducts special projects, assists all City departments and boards and commissions with their communications needs, and maintains the City's websites.

COMMUNITY DEVELOPMENT/HOUSING (dleonetti@hickorync.gov)

The Community Development Division is located within the Planning and Development Department on the second floor of the Julian G. Whitener Municipal Building. The Community Development Staff is available to answer questions concerning housing rehabilitation funds, low- income housing, home ownership/down payment assistance, fair housing and Community Development Block Grants (CDBG) for improvement projects in lower income neighborhoods.

DEVELOPMENT ASSISTANCE CENTER (bfrazier@hickorync.gov)

The Development Assistance Center, a division of the Planning and Development, is located on the second floor and is to enhance the ability to provide a same day issuance for the purpose of acquiring conventional single family dwelling permits. The coordination of commercial development and occupancy of existing buildings are handled through this division.

ECONOMIC DEVELOPMENT (bfrazier@hickorync.gov)

The Economic Development Division is located within the Planning and Development Department on the second floor of the Julian G. Whitener Municipal Building. The Economic Development Staff is available to answer questions concerning assistance in location of new or expanded commercial and industrial businesses within the City of Hickory.

FINANCE (mmiller@hickorync.gov)

The Accounting and Purchasing Divisions of the Finance Department are located on the third floor of the Julian G. Whitener Municipal Building. The Billing and Collections Divisions are located on the second floor of the Julian G. Whitener Municipal Building. The Finance Department, in accordance with ordinances, handles all City-related financial matters and financial policies enacted by the City Council as well as North

About City Services



Carolina statutes. The Finance Officer manages the City's investment program. The Finance Department also is responsible for the preparation of the Comprehensive Annual Financial Report.

FIRE (fhollar@hickorync.gov)

Fire Station 1 located at 19 2nd Street NE is headquarters for Fire Administration. The Fire Chief's office is located at the headquarters station. Fire Education and Fire Prevention offices are located on the second floor of the Julian G. Whitener Municipal Building. The City of Hickory Fire Department operates out of six community-based locations along with one aircraft fire rescue station located at the Hickory Regional Airport. All fire stations are staffed with full time personnel working a twenty-four shift schedule. The Hickory Fire Prevention Bureau can assist with information on fire code, plan reviews and fire code inspections for all types of occupancy classification. Fire Prevention issues permits for installation of fire alarms, sprinkler systems, other related fire protection systems, storage tank installation and removal, including special events.

HUMAN RESOURCES (cmain@hickorync.gov)

The Human Resources Department is located on the third floor of the Julian G. Whitener Municipal Building. All employment applications and inquiries are processed in this division. This division also administers the benefits package for City employees and conducts employment searches for department heads and other staff positions.

- **Risk Management (tshoebridge@hickorync.gov)** - The Risk Management Division of the Human Resources Department is located on the third floor of the Julian G. Whitener Municipal Building. The Risk Manager assures the safety of all coworkers and also manages City property, insurance procurement and administration, the safety program, and ADA compliance. The Risk Manager chairs the Coworker Safety Committee.

INFORMATION TECHNOLOGY (mwoods@hickorync.gov)

The Information Technology Department is located on the third floor of the Julian G. Whitener Municipal Building. This department operates and installs the City's computer systems and networks, provides technical support and training to City departments.

LEGAL (adula@hickorync.gov)

The Legal Department is located on the third floor of the Julian G. Whitener Municipal Building and provides in-house legal counsel to City departments. The Legal Department assists staff in answering questions about City ordinances and legal procedures. The Deputy City Attorney provides legal counsel and advice to the City Council, City Manager and City departments.

LIBRARY (sgreene@hickorync.gov)

The City of Hickory operates two libraries, the Patrick Beaver Memorial Library and Ridgeview Library. The Patrick Beaver Memorial Library is a state-of-the-art facility that opened in January 1998. The Ridgeview branch opened in the Spring of 1998. The libraries are committed to providing timely and accurate information for the citizens of the community, enhancing the informational literacy of customers, and stimulating the interest of citizens in reading and learning. The libraries provide audiovisual collections, reference materials, children's collections and access to the internet. The libraries' patrons include residents of Hickory and at least four surrounding counties.

About City Services



PARKS AND RECREATION (mmcleod@hickorync.gov)

The Parks and Recreation Department is located at 1451 8th Street Drive NE. The City operates five general and two senior citizen recreation centers, eighteen parks (active and passive) consisting of 428 acres. Athletic league games, special events and instructional programs for youth, adult, and senior groups are provided in large numbers. The recreation centers offer classes in arts and crafts, ceramics and many other activities to all age groups. This department also operates the Parks Maintenance Division and L. P. Frans Stadium.

PLANNING AND DEVELOPMENT (bfrazier@hickorync.gov)

The Planning and Development Department is located on the second floor of the Julian G. Whitener Municipal Building. Planning staff is responsible for enforcing zoning, subdivision regulations, property uses, assisting with thoroughfare plans and annexations, managing historic preservation, public art and community appearance, and maintaining watershed regulations. The Development Assistance Center (DAC) and the Community Development Office are housed in the Planning Department. Marketing the City of Hickory to interested developers outside the area is a key economic development function of this department. This department staffs the Hickory Regional Planning Commission and is also responsible for staffing and promoting the work of the Historic Preservation Commission, the Public Art Commission and Community Appearance Commission, as well as maintaining the City's historic resources inventory. The Planning and Development Department also coordinates the City of Hickory's transportation systems and assists other departments, including the Airport and Transit departments, with transportation planning, grant applications, and contacts with outside agencies.

POLICE (twhisnant@hickorync.gov)

The Hickory Police Department is located at 347 2nd Avenue SW. The administrative offices of the Chief of Police, Patrol Division, Support Services Division, Animal Control Unit, Criminal Investigations Division, and Code Enforcement are housed at this facility. The Hickory Police Department also offers a Victim Assistance Program and many other community education services. The Hickory Police Department uses a community policing approach in its daily work activities.

PUBLIC SERVICES DEPARTMENT (kgreer@hickorync.gov)

The Public Services Department is located at 1441 9th Avenue NE and includes the following divisions and services.

- **Central Services (wberry@hickorync.gov)** - This division provides office support to all divisions within Public Services. Customer inquiries, complaints, and service requests regarding Public Services divisions are fielded by this division and forwarded to the proper individuals for prompt response.
- **Landscape Services (jhogan@hickorync.gov)** - This division is responsible for City cemetery maintenance, planting and landscaping of City properties, and maintaining City properties.
- **Fleet Maintenance (kgreer@hickorync.gov)** - This division maintains and repairs City vehicles and equipment.
- **Street (ckone@hickorync.gov)** - This division is responsible for curb and gutter installation, sidewalks, driveway entrance construction, pothole repair, and street maintenance (sweeping, cleaning, and right-of-way mowing). This division also handles snow removal, storm drain repairs, and mowing of overgrown

lots. Each year the City Council adopts a paving list that identifies all streets to be paved/resurfaced in the upcoming fiscal year. The Street Division assists the Engineering Division in preparation of the list and executes work as directed by Council.

- **Public Utilities** (spennell@hickorync.gov) - This division provides safe drinking water to residents of the area and treats wastewater prior to its release into the environment. The Hickory Water Treatment Plant is located at 1560 Old Lenoir Road and has a 32 million gallon per day capacity. The City of Hickory operates two wastewater treatment plants, the Henry Fork Wastewater Treatment Facility (nine million gallons per day capacity) and the Northeast Wastewater Treatment Facility (six million gallons per day capacity). This division also handles questions concerning the availability and repair of water and sewer lines. Water tap connections can be arranged through the Billing and Collections Division of the Finance Department located in the Municipal Building. The Pretreatment/Lab Division provides professional services to the other divisions in the Public Utilities.
- **Sanitation** (aballentine@hickorync.gov) - This division manages routine garbage pickup in addition to several other waste removal services. Regular yard waste, such as leaves, grass clippings, and shrubbery trimmings, are collected curbside weekly on the same day as residential garbage pickup. Additional assistance is available for citizens with disabilities. A special pickup is available on Tuesdays and Thursdays for items such as appliances, furniture, yard waste, and bulky tree debris. Curbside leaf collections occur in the fall, and residents are notified in advance through the local media. Due to the City operating leaf vacuum trucks, the citizens do not need to bag their leaves for collection.
- **Traffic** (ckone@hickorync.gov) - All traffic signals within City limits are maintained by this division for the North Carolina Department of Transportation (NCDOT). Traffic signals, traffic markings, and street signs all fall under the responsibility of this division.
- **Engineering** (kgreer@hickorync.gov) - The Engineering Division is located on the second floor of the Municipal Building. The City Engineer and staff provide professional engineering and surveying services, transportation planning, and can answer questions related to street paving petitions, curb and gutter petitions, sidewalk petitions, driveway permits, city maps, and physical addresses. This division also prepares long-range plans for street and drainage improvements, and assists other City departments in construction and engineering efforts.

About City Services



The following is a telephone listing of City services. To get answers to specific questions, you can call the number directly.

ACTION CENTER/CUSTOMER SERVICE	323-7400
ADDRESS ASSIGNMENT	323-7422
AIRPORT	323-7408
ANIMAL CONTROL	324-2060
BILL INQUIRIES	323-7424
BILLING AND COLLECTIONS.....	323-7424
BROKEN WATER OR SEWER LINES	323-7427
BUDGET	261-2200
BUILDING CODE REQUIREMENTS	465-8399
BUILDING PERMITS	465-8399
BURNING PERMITS	323-7420
BUS SYSTEM – Greenway public transportation	464-9444
BUSINESS LICENSES	323-7424
CEMETERY OFFICE.....	323-7500
CITY CLERK	323-7409
CITY MANAGER	323-7412
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM	323-7414
CURB AND GUTTER PETITIONS	323-7416
CURB CUTS	323-7500
DEVELOPMENT ASSISTANCE CENTER	323-7410
DOWNPAYMENT ASSISTANCE PROGRAM	323-7414
DRIVEWAY PERMITS	323-7416
ECONOMIC DEVELOPMENT	323-7422
FENCING REQUIREMENTS	323-7410
FINANCE	323-7417
FIRE DEPARTMENT - NON-EMERGENCY CALLS FOR SERVICE	323-7420
- EMERGENCY	911
- LIFE SAFETY EDUCATION	323-7521
- PREVENTION	323-7522
- PUBLIC INFORMATION	323-7521
- TRAINING DIVISION	323-7505
GARBAGE, TRASH, RECYCLING COLLECTION	323-7500
GENERAL CITY INFORMATION	323-7400
GEOGRAPHIC INFORMATION SYSTEM (GIS)	261-2215
HISTORIC PROPERTIES.....	323-7422
HOUSING REHABILITATION LOANS	323-7414
HUMAN RESOURCES	323-7421
JUNK CARS.....	261-2649
LANDFILL - CATAWBA COUNTY	704-462-1348
LIBRARY – PATRICK BEAVER MEMORIAL LIBRARY	304-0500
RIDGEVIEW PUBLIC LIBRARY	345-6037

About City Services

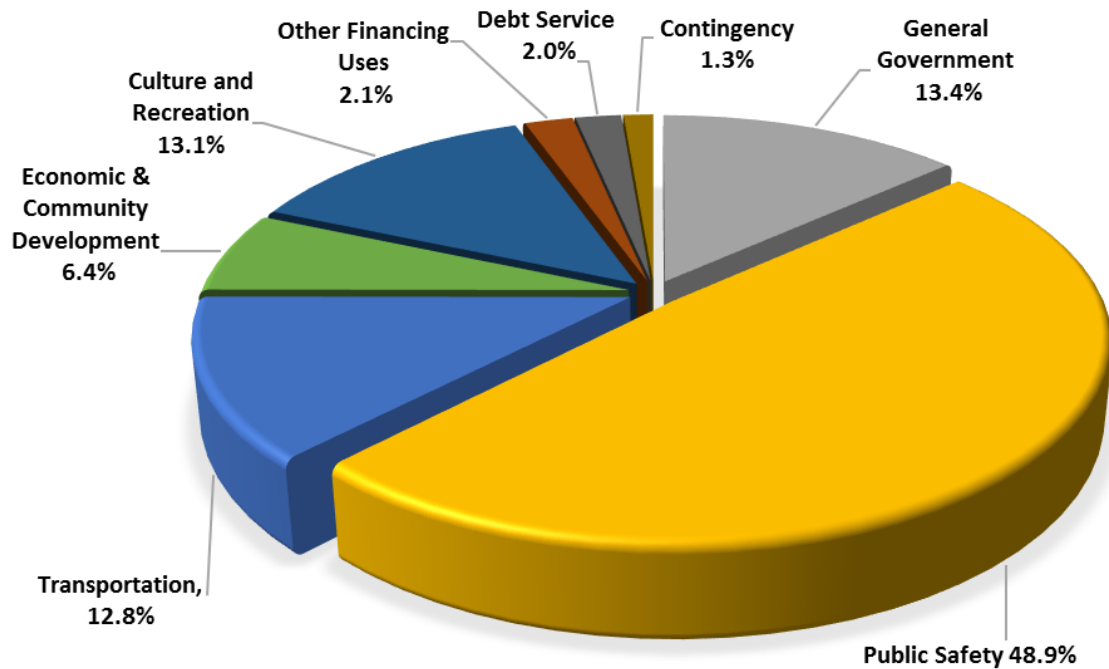


LOTS/YARDS THAT NEED MOWING.....	261-2649
MAPS	323-7416
MINIMUM HOUSING CODE	323-7410
NEIGHBORHOOD PLANNING	261-2206
NEIGHBORHOOD WATCH PROGRAM	324-2060
NOISE	261-2649
OCCUPANCY PERMITS	465-8399 or 323-7410
PARKS AND RECREATION	322-7046
POLICE - NON-EMERGENCY CALLS FOR SERVICE	328-5551
- EMERGENCY	911
- ADMINISTRATIVE	324-2060
- ANIMAL CONTROL	324-2060
- CHIEF OF POLICE	261-2600
- CRIME PREVENTION	261-2644
- CRIMINAL INVESTIGATIONS.....	261-2606
- PATROL DIVISION.....	324-2060
- RECORDS UNIT	324-2060
- SUPPORT SERVICES	261-2604
PUBLIC HOUSING	328-5373
PUBLIC INFORMATION	261-2222
PUBLIC SERVICES ADMINISTRATION	323-7500
PUBLIC SERVICES EMERGENCY NIGHT NUMBER – (HICKORY POLICE DEPARTMENT).....	328-5551
RECYCLING	323-7500
REZONING MATTERS	323-7422
SEWER TAPS AND BILLS	323-7424
SETBACK REQUIREMENTS	323-7410
SUBDIVISION REGULATIONS	323-7422
SIGN REQUIREMENTS	323-7410
STORM DRAIN MAINTENANCE.....	323-7500
STREETLIGHTS (DUKE POWER)	800-769-3766
STREET PAVING PETITIONS.....	323-7416
STREET RESURFACING	323-7500
WATER AND SEWER TAP FEES	323-7424
TAXES	323-7417
THOROUGHFARE PLAN	323-7422
TRAFFIC.....	323-7500
VOTING - CATAWBA COUNTY BOARD OF ELECTIONS	464-2424
WATER AND SEWER LINE CONSTRUCTION.....	323-7427
WATER AND SEWER LINE MAINTENANCE	323-7427
WATER METER READINGS	323-7424
WATER TAPS AND BILLS	323-7424
WATERSHED REQUIREMENTS	323-7422
ZONING	323-7422

General Fund

The General Fund accounts for all financial resources not restricted to specific purposes or otherwise required to be accounted for in another fund. The following functional areas are included in the General Fund: General Government, Public Safety, Transportation, Economic and Community Development, Culture and Recreation, Other Financing Uses, Debt Service, and Contingency.

GENERAL FUND EXPENDITURES BY FUNCTIONAL AREA



General Fund

General Fund Revenue by Category	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Ad Valorem Taxes	25,913,125	25,390,000	26,400,000	4.0%
Other Taxes	15,877,765	14,500,000	15,190,000	4.8%
Unrestricted Intergovernmental	595,737	595,000	595,000	0.0%
Restricted Intergovernmental	2,406,415	2,054,401	2,072,713	0.9%
Licenses and Permits	7,886	7,200	5,100	-29.2%
Sales and Services	1,845,592	1,798,935	1,686,676	-6.2%
Investment Earnings	225,072	125,000	125,000	0.0%
Miscellaneous	(273,383)	318,000	319,000	0.3%
Other Financing Sources	688,257	3,201,197	3,049,012	-4.8%
Revenue Total	47,286,466	47,989,733	49,442,501	3.0%
Per Capita	1,175.64	1,189.93	1,218.79	

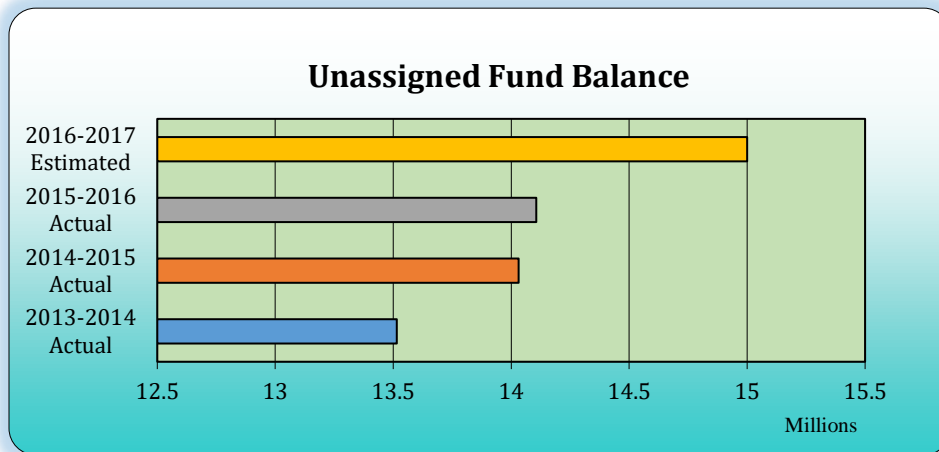
General Fund Expenditure by Category	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	28,163,091	30,667,336	31,624,094	3.1%
Operations	14,547,808	12,673,274	13,179,721	4.0%
Capital	4,382,904	3,488,878	4,158,961	19.2%
Contingency	-	650,000	650,000	0.0%
Board / Agency Funding	988,659	1,093,859	1,036,682	-5.2%
Debt Service	1,346,598	1,415,519	1,001,357	-29.3%
Interfund Transfers	1,645,384	1,200,311	1,055,137	-12.1%
Pro Rata Reimbursement	(3,136,721)	(3,199,444)	(3,263,451)	2.0%
Expenditure Total	47,937,723	47,989,733	49,442,501	3.0%
Per Capita	1,191.83	1,189.93	1,218.79	

General Fund

General Fund Balance

The unassigned General Fund Balance is projected to be \$15,000,000 on June 30, 2017. Going into FY 2017-2018, this is approximately 30.3% of the budgeted General Fund amount.

Unassigned Fund Balance	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
General Fund	13,515,066	14,031,436	14,106,300	15,000,000
Dollar Change	442,282	516,370	74,864	893,700
Percent Change	3.4%	7.3%	4.4%	6.9%



Additional Information about the City Council may be obtained
by calling the City Manager's Office at 828.323.7412

Functional Area:

General Government

Mission Statement:

To adopt ordinances, rules and regulations as may be necessary or appropriate to protect the health, life or property, or to preserve or promote the comfort, convenience, security, better government, or general welfare of the City and its inhabitants.

2016/2017 Accomplishments:

- Participated in extended sessions during the 32nd Annual Council Staff Work Session as well as other mini-sessions during the same fiscal year
- Adopted City Council's Priorities and Action Plan and a financial policy for the ensuing fiscal year.
- Continued to support the recommendations from Hickory's master plans and initiatives in the areas of Environment, Culture and Recreation, Transportation, Economic Development, Public Safety, Public Properties, Administration, and Fiscal Policy.

2017/2018 Goals and Objectives:

Goal: Grow current and new economic development opportunities for the City.

- **Objective:** Market and promote product development and economic growth, repurpose redevelopment with various programs and incentives, and support the recommendations from Hickory's Bond Commission.

Goal: Enhance special events and programs within the City.

- **Objective:** Promote and partner with the community and various organizations with City branded events.

Goal: Engage the community with more involvement opportunities and promote the City.

- **Objective:** Support community partnerships and community donors to specific projects in public spaces.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
# of Public Hearings	183	175	222	220
# of City Council Meetings	23	29	40	40
<i>Efficiency</i>				
General Fund Balance as a % total budget	33.33%	30.00%	30.00%	30.00%
<i>Effectiveness</i>				
# of years with no increase in property tax	20	0	1	2

The members of the City Council are the elected representatives of the City of Hickory. The City Council is the legislative and policy-making body of the City, and as such, is charged with making decisions and formulating public policy based on community needs. The City Council adopts an annual budget that is designed to allocate available funds as efficiently and effectively as possible in order to ensure that residents receive the highest levels of service at the lowest possible cost. The City Council meets on the first and third Tuesdays of each month and holds special planning sessions, as well as an annual Council-Staff Planning Session. Communications with the City Council can be directed to the City Manager's Office.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	416,941	356,281	449,228	26.1%
Operations	137,869	185,118	192,675	4.1%
Pro Rata Reimbursement	(184,798)	(188,492)	(192,262)	2.0%
Expenditure Total	370,012	352,907	449,641	27.4%
Per Capita	9	9	11	26.7%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	370,012	352,907	449,641	27.4%
Revenue Total	370,012	352,907	449,641	27.4%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Part Time	7	7	7	0.0%
Total	7	7	7	0.0%

City Manager's Office



Additional Information about the City Manager's office may be obtained by calling Warren Wood at 828.323.7412 or wwood@hickorync.gov

Functional Area:

General Government

Mission Statement:

To conduct the overall administration of the City as prescribed by the North Carolina General Statutes. As administrative head of the City Government, the City Manager coordinates all city activities in accordance with adopted City Council's Priorities and Action Plan and carries out all policies and actions of the City Council.

2016/2017 Accomplishments:

- Managed the implementation of the City Council's Priorities and Action Plan.
- Coordinated all activities associated with General Government, Public Properties, Transportation, Economic and Community Development, Public Safety, Leisure Time Activities, and Environmental Issues.
- Continued pursuit of mutually beneficial projects with the Hickory Metro local governments.
- Participated in the North Carolina League of Municipalities, National League of Cities, International City/County Manager's Association, Alliance for Innovation, and NC City/County Manager's Association.

2017/2018 Goals and Objectives:

Goal: Implement City Council's Priorities and Action Plan through effective and efficient operation of City services.

- **Objective:** Distribute a quarterly report detailing the progress of achieving Council's priorities
- **Objective:** Oversee adoption and implementation of the City's budget in compliance with the Local Government Budget and Fiscal Control Act.
- **Objective:** Continue working with staff, City boards, commissions, and task forces to implement priorities and action plan.

	2014-2015	2015-2016	2016-2017	2017-2018
Performance Measures	Actual	Actual	Estimated	Goal
Work Load				
% of Social Media posts	New	120	100	100
# of community presentations by the City Manager	New	12	28	30
Efficiency				
% of presentations per quarter	New	100%	100%	100%
% of posts per quarter	New	100%	100%	100%
Effectiveness				
% of Social Media engagement (likes/rt/shares/comments)	New	90%	100%	100%

City Manager's Office

The City Manager's Office is located on the third floor of the Julian G. Whitener Municipal Building. It is the responsibility of the City Manager's Office to professionally manage all City operations and to execute policy as directed by the City Council and prescribed by the North Carolina General Statutes. The City Manager's Office advises City Council on issues related to municipal operations. In addition to daily interaction with department heads and staff, the City Manager's Office holds monthly functional meetings covering the following areas: Administrative Issues, Economic and Community Development, Environmental Issues, Transportation, Leisure Time Activities, Public Safety, Public Properties, Neighborhoods, and General Staff. In addition, the City Manager's Office plans the annual Council-Staff Work Session and special Council planning sessions during the budget development process.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	720,536	724,997	775,619	7.0%
Operations	109,021	78,547	75,881	-3.4%
Capital	2,543	4,200	7,000	66.7%
Pro Rata Reimbursement	(195,478)	(199,386)	(203,375)	2.0%
Expenditure Total	636,622	608,358	655,125	7.7%
Per Capita	16	15	16	7.1%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	636,622	608,358	655,125	7.7%
Revenue Total	636,622	608,358	655,125	7.7%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	5	5	5	0.0%
Part Time	-	2	-	-100.0%
Seasonal	1	2	1	-50.0%
Total	6	9	6	-33.3%

Communications



Additional Information about the Office of Communication may be obtained by calling Dana Kaminske, Communication and Marketing Manager, at 828.261.2289 or dkaminske@hickorync.gov

Functional Area:

General Government

Mission Statement:

The Office of Communications provides information to citizens, businesses, organizations and more about day to day activities with the city, as well as projects, events, and accomplishments. Information is posted on www.HickoryNC.gov and distributed to the public through media news releases, e-newsletters, City Snippets, social media, videos, and various other outlets. This office oversees City websites and “Life. Well Crafted.” brand activities/events and partnerships.

2016/2017 Accomplishments:

- Kept the www.HickoryNC.gov site user-friendly, designed with citizens in mind, while always improving the content and visual appeal.
- Reached more people with the marketing messages and project updates through increasing social media and e-newsletter reach, as well as increasing traffic to the Crafting Hickory website page.
- Created a new way to engage the community to learn about City government through Hickory 101, a condensed Neighborhood College program.

2017/2018 Goals and Objectives:

Goal: Bring awareness to the City of Hickory as a viable option for living, working, and visiting.

- **Objective:** Increase the reach to more people with the marketing messages, through the City videos on social media and Get to Know Hickory section of website.

Goal: Drive traffic to the Crafting Hickory section of www.HickoryNC.gov to bring additional awareness to the projects in that program.

- **Objective:** Showcase all project updates and Crafting Hickory Magazine through social media and e-newsletter links to that site.

Goal: Increase the number of subscribers to the e-newsletter from 1,281 to 1,600.

- **Objective:** Create a campaign to market the e-newsletter on social media, as well as redesign the format.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
Work Load				
# of Facebook “Likes” (annually)	3,660	4,924	6,172	7,000
# of HickoryNC.gov unique visitors (annually)	New	257,914	217,545	220,000
Efficiency				
% increase of “Facebook Likes” (annually)	15%	35%	25%	13%
Bounce rate % HickoryNC.gov (annually)	New	46%	51%	49%
Effectiveness				
# of people viewing the Crafting Hickory page (quarterly)	-	-	268	300

Communications

The Communications Office provides citizens, businesses, organizations, visitors and employees with information about Hickory, its goals, projects, public awareness campaigns, programs, and events through various media venues, www.hickorync.gov, speaking engagements and more. The Communications Office also heads the Brand initiative for the City of Hickory. In addition to coordinating the Neighborhood College, this office conducts special projects, assists all City departments and boards and commissions with their communication needs, and maintains the City's websites.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	224,091	249,125	247,498	-0.7%
Operations	35,829	49,342	48,380	-1.9%
Capital	1,200	-	2,000	100.0%
Pro Rata Reimbursement	(41,747)	(42,581)	(43,434)	2.0%
Expenditure Total	219,373	255,886	254,444	-0.6%
Per Capita	5	6	6	-1.1%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	219,373	255,866	254,444	-0.6%
Revenue Total	219,373	255,866	254,444	-0.6%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	3	3	3	0.0%
Total	3	3	3	0.0%

Risk Management

Additional Information about the Risk Management Division may be obtained by calling Todd Shoebridge at 828.323.7442 or tshoebridge@hickorync.gov

Functional Area:

General Government

Risk management involves the identification and management of risks, and the financial application of resources to afford control of the probability and impact of unfortunate events, or to maximize the realization of opportunities.

Risks can stem from legal liabilities, project failures, natural disasters, accidents, or events which cannot be predicted. Risk management targets the many “what if” scenarios potentially faced by organizations.

Mission Statement:

To minimize local government risk by administering comprehensive and proactive workers compensation, insurance, safety, education and ADA programs that are in compliance with local, state and federal laws and regulations.

2016/2017 Accomplishments:

- Achieved and reduced claims through added attention to detail and comprehensive process through the Risk Management Executive Team.
- Revised and updated policies of the City in accordance with current local, state, federal laws and regulations, and guidelines.
- Continued to update and identify insured items in conjunction with the City’s asset process and procedures through audits, meetings and the review of all policies.

2017/2018 Goals and Objectives:

- **Goal:** Provide a safe and hazard free workplace for employees through proactive training and inspections
Objective: Risk Division to work in cooperation with all divisions throughout the city.
- **Goal:** Continue to reduce the number of accidents and injuries through training, policy and procedural updates and revisions.
Objective: Tailor training programs to the needs of each division based on current local, state, federal laws and regulations, and accident and injury trends

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
# of recordable workers comp. claims	38	30	24	30
<i>Efficiency</i>				
# of safety training workshops completed by the Risk Division	24	28	33	40
<i>Effectiveness</i>				
Cost of workers comp. claims	\$655,757	\$426,445	\$452,544	\$500,000
# of worksite inspections and % of worksite inspections in full safety compliance	21/98%	25/98%	33/98%	50/98%

Risk Management

The Risk Management Division is located on the third floor of the Julian G. Whitener Municipal Building. The Risk Manager assures the safety of all coworkers and also manages City property, insurance procurement and administration, the safety program, and ADA compliance. The Risk Manager chairs the Coworker Safety Committee.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	131,669	125,285	122,637	-2.1%
Operations	14,601	128,545	128,613	0.1%
Capital	28,493	-	1,500	100.0%
Pro Rata Reimbursement	(45,567)	(46,478)	(47,408)	2.0%
Expenditure Total	129,196	207,352	205,342	-1.0%
Per Capita	3	5	5	-1.5%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Miscellaneous	29,175	100,000	100,000	0.0%
General Fund	100,021	107,352	105,342	-1.9%
Revenue Total	129,196	207,352	205,342	-1.0%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	2	2	2	0.0%
Part Time	-	1	-	-100.0%
Seasonal	-	1	-	-100.0%
Total	2	4	2	-50.0%

Budget Office



Additional Information about the Budget Office may be obtained by calling
Cameron McHargue, Budget Analyst, at 828.261.2200 or cmchargue@hickorync.gov

Functional Area: General Government

Mission Statement:

Efficiently and effectively develop, implement and administer a balanced budget that clearly communicates City goals, objectives and priorities. Ensure that the budget document includes valid and reliable performance measures and quality management principles.

2016/2017 Accomplishments:

- Earned the Government Finance Officers Association Distinguished Budget Presentation Award for fiscal year beginning July 1, 2016
- Processed budget amendments and transfers in a timely manner
- Coordinated and managed the City of Hickory's data collection for the UNC School of Government NCPMP (North Carolina Performance Measurement Project)

2017/2018 Goals and Objectives:

- **Goal:** Earn the Government Finance Officers Association Distinguished Budget Presentation Award.
Objective: Continue to create a budget document that serves as a policy document, financial plan, operations guide, and communications policy.
- **Goal:** Participate in the North Carolina Performance Measurement Project.
Objective: Meet all data collection deadlines as specified by the UNC School of Government.
- **Goal:** Evaluate the current budget process and develop an efficient method for producing the document
Objective: Streamline the budget development process through continuous feedback from internal/external customers and comparison to other units.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
Work Load				
# of individual budget amendments/ transfers processed	320	368	242	250
Efficiency				
% of budget amendments submitted to Budget that require follow up with initiating departments	1%	1%	1%	1%
% of budget amendments sent to City Clerk's Office without error	99%	95%	100%	100%
Effectiveness				
Average Response Rate - Annual Survey (Scale: 1-5)	4.5	n/a	n/a	4.5

Budget Office



The Budget Office assists the City Manager's Office in the preparation of the annual budget for adoption by the City Council. The budget is monitored throughout the fiscal year through budget reports, amendments and trend analysis. This office also compiles and reviews departmental performance measures, goals, objectives, and conducts special management studies.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	58,032	72,765	68,088	-6.4%
Operations	21,311	38,590	40,551	5.1%
Capital	1,230	-	1,800	100.0%
Pro Rata Reimbursement	(67,519)	(68,869)	(70,249)	2.0%
Expenditure Total	13,054	42,486	40,190	-5.4%
Per Capita	0	1	1	-6.0%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	13,054	42,486	40,190	-5.4%
Revenue Total	13,054	42,486	40,190	-5.4%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	1	1	1	0.0%
Total	1	1	1	0.0%

Human Resources



Additional Information about the Human Resources Department may be obtained by calling Claudia Main, Human Resources Director, at 828.323.7447 or cmain@hickorync.gov

Functional Area:

General Government

Mission Statement:

To develop and support effective personnel systems, which enable departments to recruit, select and maintain a workforce, committed to the City's quality principles at comparatively appropriate staffing levels.

2016/2017 Accomplishments:

- Successfully managed and implemented one of the largest open enrollments in over 10 years and educated all City employees on major health insurance changes.
- Continued management and oversight of the City's wellness program resulting in reductions in high risk factors, adherence to medical protocols for disease management and measurably healthier employees.
- Conducted a highly successful Health Fair (76 vendors, 275 employees).
- Achieved GOLD Well-Business Designation. (Silver in 2016).
- Assisted City Council and Mayor in the search for City Manager.
- Implemented several recruitment and retention strategies: Partnership with local school systems and universities, new employee quarterly breakfast, and internal Facebook group.
- Successfully implemented conversion from semi-monthly to bi-weekly payroll in partnership with the Finance Department.

2017/2018 Goals and Objectives:

Goal: To attract and retain qualified employees.

- **Objective:** Continue to offer competitive and cost-effective salaries and benefits.

Goal: Work in consultation with City Manager's Office and Department Heads/Supervisors to maintain appropriate staffing levels.

- **Objective:** Seek to maintain employee per 1,000 population ratio at 20 or below.

Goal: Manage wellness program and onsite clinic to benefit employees and the City.

- **Objective:** Continue metrics in the wellness clinic and HRAs to monitor downward trends in risk factors.

	2014-2015	2015-2016	2016-2017	2017-2018
Performance Measures	Actual	Actual	Estimated	Goal
<i>Work Load</i>				
Number of Applications Received	3,200	4,910	4,074	4,000
<i>Efficiency</i>				
Percent of wellness program participants who improved one of their high risk factors	New	12.4%	66%	50%
Turnover rate (by fiscal year)	5.3%	9.7%	9.3%	Under 10%
<i>Effectiveness</i>				
Average Response Rate-Annual Survey (Scale: 1-5)	4.1%	4.4	n/a	4.2%

Human Resources



The Human Resources Department is located on the third floor of the Julian G. Whitener Municipal Building. All employment applications and inquiries are processed in this division. This division also administers the benefits package for City employees and conducts employment searches for department heads and other staff positions.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	321,458	330,531	346,696	4.9%
Operations	98,797	118,784	105,056	-11.6%
Capital	1,820	2,600	1,300	-50.0%
Pro Rata Reimbursement	(149,969)	(152,968)	(156,029)	2.0%
Expenditure Total	272,106	298,947	297,023	-0.6%
Per Capita	7	7	7	-1.2%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	272,106	298,947	297,023	-0.6%
Revenue Total	272,106	298,947	297,023	-0.6%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	5	5	5	0.0%
Total	5	5	5	0.0%

Finance Department



Additional Information about the Finance Department may be obtained by calling Melissa Miller at 828.323.7545 or mmiller@hickorync.gov

Functional Area:

General Government

Mission Statement:

The mission of the Finance Department is to administer and provide fiscally responsible control and guidance for all financial matters of the City while complying with all applicable City, State, and Federal mandates.

2016/2017 Accomplishments:

- Received the Government Finance Officers Association (GFOA) Certificate of Achievement Award for Excellence in Financial Reporting for FY 2015-2016 for the 21st consecutive year.
- Cross trained multiple procedures within the Billing Division.
- Increased the number of submissions to Debt Setoff for delinquent miscellaneous receivables.
- Documented processes and trained staff for management of purchasing cards.

2017/2018 Goals and Objectives:

Goal: Reorganize and restructure the Finance Department.

- **Objective:** Cross train all current procedures and duties to provide better customer service and improve operating efficiency.

Goal: Provide accurate financial information to the citizens of Hickory.

- **Objective:** Prepare the 2017 Comprehensive Annual Financial Report and submit to GFOA for Certificate of Achievement Award.

Goal: Implement new imaging software for document retention in Collections.

- **Objective:** Electronically store all photo IDs, lease agreements, and other Legal documents relating to utility accounts.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
% of Water/Sewer accounts collected	97.6%	97.5%	97.9%	97.0%
# of days required to process a new vendor application	New	New	1	1
Utility bills processed per Billing employee	8,726	8,700	8,911	8,750
<i>Efficiency</i>				
Financial Reports issued within 5 working days of the end of the month.	91.7%	83.3%	75.0%	83.3%
<i>Effectiveness</i>				
Average Response Rate-Annual Survey (1-5)	4.12	4.00	4.01	4.00

Finance Department



The Accounting and Purchasing Divisions of the Finance Department are located on the third floor of the Julian G. Whitener Municipal Building. The Billing and Collections Divisions are located on the second floor of the Julian G. Whitener Municipal Building. The Finance Department, in accordance with ordinances, handles all City-related financial matters and financial policies enacted by the City Council, as well as North Carolina statutes. The Finance Officer manages the City's investment program. The Finance Department also is responsible for the preparation of the Comprehensive Annual Financial Report.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	902,591	1,038,641	1,113,781	7.2%
Operations	385,446	389,978	389,945	0.0%
Capital	10,287	11,800	4,100	-65.3%
Pro Rata Reimbursement	(1,320,455)	(1,346,863)	(1,373,802)	2.0%
General Fund Contributions		31,444		-100.0%
Expenditure Total	(22,131)	125,000	134,024	7.2%
Per Capita	(1)	3	3	6.6%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Investment Earnings	225,072	125,000	125,000	0.0%
General Fund	(247,203)	-	9,024	100.0%
Revenue Total	(22,131)	125,000	134,024	7.2%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	21	20	20	0.0%
Total	21	20	20	0.0%

City Clerk's Office



Additional Information about the City Clerk's Office may be obtained by calling Debbie Miller, City Clerk, at 828.323.7409 or dmiller@hickorync.gov

Functional Area:

General Government

Mission Statement:

To serve the City Council as Clerk by being responsible for preparation of agendas, minutes, and all documents relating to Council activities. The City Clerk is custodian of all official records of the City and is responsible for the disposition of these records in accordance with state law.

2016/2017 Accomplishments:

- Archived all contracts in the vault through 2014 in accordance with records retention schedule, and organized legal ad affidavits creating folders for each year
- Continued high level of services provided to staff, Council, and citizens
- Completed all documents necessary for eight (8) annexation ordinances and three (3) street closings
- Maintained scanning of all contracts, minutes, ordinances, and resolutions into laserfiche and posting agendas, action agendas, minutes and legal notices on the website
- Completed Supervisory Training Class through the Human Resources Department
- Attended workshop and continuing education classes for education requirements for Certified Municipal Clerk and North Carolina Certified Paralegal
- Completed the project for refurbishing of the minutes books; the Clerk's office had been working on this project for 8 years.

2017/2018 Goals and Objectives:

Goal: Continue clerk education and paralegal education

Objective: To maintain Paralegal Certification and North Carolina Certified Municipal Clerk Certification continuing education required

Goal: Continue disposal of documents in accordance with records retention schedule

Objective: To dispose of documents in a timely manner to free up space in the vault to avoid the need for additional filing cabinets and/or storage space

Goal: Maintain and scan all documents into laserfiche, minutes, agendas, contracts, ordinances and resolutions

Objective: To make locating documents readily accessible for public records requests and staff

Goal: Average Annual Response Rate 5

Objective: Continue a high level of service provided by the Clerk's Office

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
Employee hours required to prepare City Council Agenda for regular meetings	3.76	3.5	3.79	6.0
Average # of days following a City Council meeting to obtain official signatures and return documents to the initiating department(s)	4.48	4.94	3.00	3.00
<i>Efficiency</i>				
% of Council minutes that are transcribed within 3 days of meeting without error	94%	96%	100%	100%
<i>Effectiveness</i>				
Average Response Rate - Annual Survey (Scale: 1-5)	5.0	5.0	5.0	5.0

City Clerk's Office



The City Clerk's Office is located on the third floor of the Julian G. Whitener Municipal Building. The City Clerk provides information about City Council meetings and minutes, City ordinances, applications for Boards and Commissions, and official City records. The orientation of all boards and commissions, as well as the publicizing of these groups' meetings, is also a role of the City Clerk's Office.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	80,697	81,626	84,077	3.0%
Operations	13,977	29,287	31,225	6.6%
Capital	1,230	1,400	-	-100.0%
Pro Rata Reimbursement	(58,010)	(59,170)	(60,355)	2.0%
Expenditure Total	37,894	53,143	54,947	3.4%
Per Capita	1	1	1	2.8%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	37,894	53,143	54,947	3.4%
Revenue Total	37,894	53,143	54,947	3.4%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time		1	1	
Part Time	1	2	1	-50.0%
Total	1	2	1	-50.0%

Information Technology Department



Additional Information about the Information Technology Department may be obtained by calling Mike Woods, Information Technology Manager, at 828.323.7513 or mwoods@hickorync.gov

Functional Area: **General Government**

Mission Statement:

To provide and support information technology resources to internal and external customers of the City of Hickory.

2016/2017 Accomplishments:

- Implemented ExecuTime application for Police Department, Library, and City Hall personnel
- Installed new UCS Hardware (servers) in the data center
- Installed NaviLine Edge from Superion
- Installed Cognos Business Intelligence Reporting Tool

2016/2017 Goals and Objectives:

Goal: Upgrade City-wide Cisco phone systems

- **Objective:** Replace outdated hardware and software

Goal: Install video conferencing technologies for Departmental training and communications

- **Objective:** Facilitate departmental training and communication while reducing time and travel costs

Goal: Provide user training on the Cognos Reporting tool

- **Objective:** Provide departments with a better tool for data analytics

Goal: Implement ExecuTime in remaining departments (Public Services, Fire, etc.)

- **Objective:** Provide more accurate timekeeping information to payroll.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
Workstations supported	540	587	596	600
Monthly average service requests	83	76	82	75
<i>Efficiency</i>				
% of help desk requests with a contract from assigned technician within one business day	88%	89%	90%	95%
% of service requests resolved by due date	87%	89%	91%	95%
<i>Effectiveness</i>				
Average Response Rate - Annual Survey (Scale: 1-5)	3.98	4.1	4.17	4.5

Information Technology Department



The Information Technology Department is located on the third floor of the Julian G. Whitener Municipal Building. This department operates and installs the City's computer systems and networks, and provides technical support and training to City departments.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	491,595	569,428	535,117	-6.0%
Operations	585,327	661,020	720,333	9.0%
Capital	59,245	336,800	298,200	-11.5%
Pro Rata Reimbursement	(121,460)	(123,888)	(126,367)	2.0%
Expenditure Total	1,014,707	1,443,360	1,427,283	-1.1%
Per Capita	25	36	35	-1.7%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Sales and Services	320,969	320,000	320,000	0.0%
General Fund	693,738	1,123,360	1,107,283	-1.4%
Revenue Total	1,014,707	1,443,360	1,427,283	-1.1%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	8	8	8	0.0%
Total	8	8	8	0.0%

Legal Department



Additional Information about the Legal Department may be obtained by calling Arnita Dula, Staff Attorney, at 828.323.7564 or adula@hickorync.gov

Functional Area:

General Government

Mission Statement:

To provide in house counsel to all City Departments, City Council and various Boards and Commissions, and to serve as the Police Attorney to the Hickory Police Department.

2016/2017 Accomplishments:

- Reviewed and revised municipal forms
- Completed 100% of requested title searches within 10 days
- Coordinated litigation with outside counsel on various cases
- Handled multiple public records requests

2017/2018 Goals and Objectives:

Goal: Review and revise 50 municipal forms in a year

- **Objective:** Complete initial review and revision of a municipal form within 7 – 10 days

Goal: Research title opinions for various departments

- **Objective:** Research 80% of requested title searches within 10 days

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
# of municipal forms reviewed/revised	133	108	152	100
<i>Efficiency</i>				
% of title opinions requested and researched w/in 10 days	100%	100%	100%	100%
<i>Effectiveness</i>				
Average Response Rate - Annual Survey (Scale: 1-5)	4.0	5.0	4.70	4.0

Legal Department

The Legal Department is located on the third floor of the Julian G. Whitener Municipal Building and provides in-house legal counsel to City departments. The Legal Department assists staff in answering questions about City ordinances and legal procedures. The Deputy City Attorney provides legal counsel and advice to the City Council, City Manager and City departments.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	167,625	169,698	175,353	3.3%
Operations	2,378,782	102,132	102,179	0.0%
Capital	2,725	-	-	0.0%
Pro Rata Reimbursement	(59,013)	(60,192)	(61,397)	2.0%
Expenditure Total	2,490,119	211,638	216,135	2.1%
Per Capita	62	5	5	1.5%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	2,490,119	211,638	216,135	2.1%
Revenue Total	2,490,119	211,638	216,135	2.1%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	2	2	2	0.0%
Total	2	2	2	0.0%

Engineering Division



Additional Information about the Engineering Division may be obtained by calling Kevin Greer, P.E., City Engineer, at 828.323.7500 or kgreer@hickorync.gov

Functional Area:

General Government

Mission Statement:

To provide professional engineering, surveying, transportation planning, stormwater design and project management services for both internal city departments and external customers.

2016/2017 Accomplishments:

- Completed Hickory Optimist Park building & pickleball court conversion
- Began construction on Falling Creek Road bridge replacement project
- Completed Hickory City Park building and parking lot plans

2017/2018 Goals and Objectives:

Goal: To complete replacement of Falling Creek Road bridge

- **Objective:** Replace inadequate structure and improve traffic safety at the site

Goal: Complete construction of new building and parking lot at Hickory City Park

- **Objective:** Provide new meeting and restroom building and parking lot to provide greater use of tennis courts

Goal: Improve efficiency and sustainability of the Engineering Department

- **Objective:** Compile standard operating procedures for Engineering Department projects

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
# of plans reviewed	178	150	164	160
# of projects completed	17	10	8	10
Annual \$ spent on Stormwater	\$240,000	\$250,000	\$250,000	\$270,000
<i>Efficiency</i>				
% of site plans w/o Stormwater reviewed w/in five days	82%	80%	95%	90%
% of site plans w/ Stormwater reviewed w/in ten days (FY14-15 goal revised to 10 days)	91%	80%	95%	90%
<i>Effectiveness</i>				
% of billable hours to total work hours	78%	80%	75%	75%

Engineering Division

The Engineering Division is located on the second floor of the Julian G. Whitener Municipal Building. The City Engineer and staff provide professional engineering and surveying services, transportation planning, and can answer questions related to street paving petitions, curb and gutter petitions, sidewalk petitions, driveway permits, city maps, and physical addresses. This division also prepares long-range plans for street and drainage improvements, and assists other City departments in construction and engineering efforts.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	325,043	438,318	442,282	0.9%
Operations	35,793	62,180	58,814	-5.4%
Capital	15,565	13,000	-	-100.0%
Pro Rata Reimbursement	(121,689)	(124,123)	(126,607)	2.0%
Expenditure Total	254,712	389,375	374,489	-3.8%
Per Capita	6	10	9	-4.4%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	254,712	389,375	374,489	-3.8%
Revenue Total	254,712	389,375	374,489	-3.8%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	8	7	7	0.0%
Part Time	-	-	-	0.0%
Seasonal	1	1	1	0.0%
Total	9	8	8	0.0%

Planning and Development Department



Additional Information about the Planning and Development Department may be obtained by calling Brian M. Frazier, Director, at 828.323.7422 or bfrazier@hickorync.gov

Functional Area:

Economic and Community Development

Mission Statement:

To develop plans, provide staff services to boards and commissions, and administer ordinances, policies and programs to promote sound growth, orderly development, economic vitality, improved housing, stable neighborhoods and necessary redevelopment in the Hickory Planning Area.

2016/2017 Accomplishments:

- Completed 5yr revisions to Hickory by Choice 2030
- Closed out 2015-17 EPA Planning Grant
- Completed Green Park Neighborhood Master Plan

2017/2018 Goals and Objectives:

Goal: Enhance quality of life for all city residents.

- **Objective:** Support neighborhood associations, boards and commissions.

Goal: Enhance both current and comprehensive planning strategies.

- **Objective:** Perform annual update to Hickory by Choice 2030 and annual Land Development Code revision.

Performance Measures	2014-2015	2015-2016	2016-2017	2017-2018
	Actual	Actual	Estimated	Goal
<i>Work Load</i>				
Identify illegal signs and banners	1,466	2,082	1,545	1250
<i>Efficiency</i>				
Conduct field inspections within 24 hours	90%	85%	99%	90%
<i>Effectiveness</i>				
% of zoning compliance achieved within 30 days of written compliance notices	93%	88.5%	93%	90%

Planning and Development Department



The Planning and Development Department is located on the second floor of the Julian G. Whitener Municipal Building. Planning staff is responsible for enforcing zoning, subdivision regulations, property uses, assisting with thoroughfare plans and annexations, managing historic preservation, public art and community appearance, and maintaining watershed regulations. The Development Assistance Center (DAC) and the Community Development Office are housed in the Planning Department. Marketing the City of Hickory to interested developers outside the area is a key economic development function of this department. This department staffs the Hickory Regional Planning Commission and is also responsible for staffing and promoting the work of the Historic Preservation Commission, the Public Art Commission and Community Appearance Commission, as well as maintaining the City's historic resources inventory. The Planning and Development Department also coordinates the City of Hickory's transportation systems and assists other departments, including the Airport and Transit departments, with transportation planning, grant applications, and contacts with outside agencies.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	507,106	550,065	541,768	-1.5%
Operations	52,597	68,229	63,275	-7.3%
Capital	4,295	30,000	-	-100.0%
Pro Rata Reimbursement	(29,763)	(30,358)	(30,966)	2.0%
Expenditure Total	534,235	617,936	574,077	-7.1%
Per Capita	13	15	14	-7.6%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Licenses and Permits	1,760	2,100	-	-100.0%
Miscellaneous	54,878	60,000	60,000	0.0%
Sales and Services	36,991	30,000	30,000	0.0%
General Fund	440,606	525,836	484,077	-7.9%
Revenue Total	534,235	617,936	574,077	-7.1%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	8	8	8	0.0%
Total	8	8	8	0.0%

Police Department



Additional Information about the Police Department may be obtained by calling Thurman Whisnant, Chief of Police, at 828.324.2060 or twhisnant@hickorync.gov

Functional Area: **Public Safety**

Mission Statement:

The Hickory Police Department is committed to providing the highest quality service to customers: The citizens of and visitors to our city. Dedicated to improving the quality of life in the city, the department will work in partnership with the community to provide a high degree of effective and efficient public safety while maintaining respect for cultural diversity and individual rights and integrity.

2016/2017 Accomplishments:

- Successfully implemented the bicycle patrol program throughout the City.
- Installed six (6) in the Communications Center, keeping the Police Department on track to becoming the backup 911 Public Safety Answering Point for Catawba County.
- Completed an update of the Policy and Procedure Manual.
- Reinstated the Police Explorer Program.

2017/2018 Goals and Objectives:

Goal: The Patrol Division will work to decrease the number of traffic crashes by 5% in 2017.

- **Objective:** The PACTs will utilize saturated patrols during high incident times at top crash locations to assist in reducing traffic crashes. The PACT Commanders will work closely with each other to coordinate joint traffic enforcement initiatives at high crash locations.

Goal: The Patrol Division will work to decrease the number of burglaries by 3% in 2017.

- **Objective:** Officers will increase their visibility in the "Hot Spot" locations by conducting citizen contacts, license checkpoints, field interviews and other initiatives directed by the PACT Commanders.

Goal: During 2017, each PACT Commanders will work with a community service provider to assist with community outreach in their PACT (i.e. Hickory Library, Rec. Department, Soup Kitchen, etc.)

- **Objective:** Each PACT will actively participate with their chosen community service provider to assist with strengthening the relationship between HPD and the community we serve.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
# of calls received	90,927	90,436	97,598	95,000
# of calls dispatched	38,431	41,731	42,549	42,000
# dispatched calls per Patrol Officer	427	509	541	525
<i>Efficiency</i>				
# of cases assigned to Criminal Investigations Division	598	681	570	550
<i>Effectiveness</i>				
Average call time from receipt to generated	n/a	n/a	01:29	01:30

Police Department



The Hickory Police Department is located at 347 2nd Avenue SW. The administrative offices of the Chief of Police, Patrol Division, Support Services Division, Animal Control Unit, Criminal Investigations Division, and Code Enforcement are housed at this facility. The Hickory Police Department also offers a Victim Assistance Program and many other community education services. The Hickory Police Department uses a community policing approach in its daily work activities.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	8,890,949	9,682,511	9,641,661	-0.4%
Operations	1,920,478	2,285,449	2,234,857	-2.2%
Capital	929,298	933,625	1,436,211	53.8%
Pro Rata Reimbursement	2,558	2,609	2,661	2.0%
Expenditure Total	11,743,283	12,904,194	13,315,390	3.2%
Per Capita	292	320	328	2.6%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Unrestricted Intergovernmental	90,000	90,000	90,000	0.0%
Restricted Intergovernmental	76,362	120,000	69,047	-42.5%
Licenses and Permits	5,322	5,100	5,100	0.0%
Miscellaneous	17,438	2,000	2,000	0.0%
Sales and Services	30,957	24,500	24,500	0.0%
General Fund	11,523,204	12,662,594	13,124,743	3.6%
Revenue Total	11,743,283	12,904,194	13,315,390	3.2%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	153	152	152	0.0%
Part Time	37	60	22	-63.3%
Seasonal	4	25	4	-84.0%
Total	194	237	178	-24.9%

District Court



Additional information about the District Court Division may be obtained by calling Alex Brittain, Buildings Manager at 828.323.7500 or abrittain@hickorync.gov

Functional Area:

General Government

Mission Statement:

To house and accommodate the operations of government in a cost-effective manner.

2016/2017 Accomplishments:

- Responded to HVAC requests for repair throughout the year
- Upgraded various plumbing fixtures within the building
- Continued to contract with outside cleaning crew for building maintenance needs

2017/2018 Goals and Objectives:

Goal: To continue to staff cleaning crew for District Court facility

- **Objective:** City pays part time staff to keep facility clean. City subs out professional cleaning service once a month for cleaning high traffic areas

Goal: To price new LED lighting for the District Court facility

- **Objective:** Building Services to get quotes on upgrading all lighting (interior and exterior) of the District Court facility for the purpose of saving energy

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
# of requests for services initiated by the Clerk of Court for City Services	50	50	47	40
<i>Efficiency</i>				
# of annual safety inspection deficiencies reported by County/Court's Safety Officers	0	0	0	0
<i>Effectiveness</i>				
% of emergency calls dispatched by the Clerk of Court regarding services needed for vandalism in the public accessed areas, courtrooms, foyer, holding cells & exterior of facility.	New	7	2	4

District Court



The Hickory District Court Building was built in 1978. There are several divisions of court personnel housed at this location. These include Judges, Clerk of Court, District Attorney's Office, Probation and Parole and Community Services. The City of Hickory is responsible for maintaining the structure of the building, janitorial services, heating and cooling along with interior lighting and general preventative maintenance for the facility.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Operations	43,316	64,504	61,358	-4.9%
Pro Rata Reimbursement	1,814	1,850	1,887	2.0%
General Fund Contribution	50,138	38,646		-100.0%
Expenditure Total	95,268	105,000	63,245	-39.8%
Per Capita	2	3	2	-40.1%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Sales and Services	95,268	105,000	-	-100.0%
General Fund	-	-	63,245	100.0%
Revenue Total	95,268	105,000	63,245	-39.8%

Fire Department



Additional Information about the Fire Department may be obtained by calling
C. Fred Hollar, Fire Chief, at 828.323.7501 or fhollar@hickorync.gov

Functional Area:

Public Safety

Mission Statement:

The Hickory Fire Department shall provide high quality emergency services, education, and prevention that protect our community through professional coworkers that are focused on customer service, compassion, commitment, and innovation.

2016/2017 Accomplishments:

- Added two new Rosenbauer apparatus to the fire department's emergency response fleet. Engine 4 will become the new ARFF response vehicle at the airport and Engine 1 will replace the current 1999 E-One at station 1.
- Expanded the teaching opportunities provided to the department by utilizing regional training centers. The department also started a comprehensive rescue training program in 2017 to get all personnel up to the same NC state standards on rescue certification.
- Completed an upgrade to all frontline self-contained breathing equipment to the 2013 NFPA standard. The program streamlined training techniques by eliminating three different styles of SCBA.

2017/2018 Goals and Objectives:

Goal: Maintain the Hickory Fire Department Strategic Plan

- **Objective:** Identify the core services provided by the fire department while focusing on innovation, communication, and customer service. Create attainable goals with realistic objectives from these core services. Review the Strategic Plan annually to determine progress and completion of goals.

Goal: Conduct a risk assessment utilizing the fire department service demand zones.

- **Objective:** Combine recognized standards of community risk analysis and master planning to create a comprehensive standard of cover document. Maintain this document annually in order to provide the best emergency services possible.

Goal: Enhance the fire department's technology program.

- **Objective:** Expand video conferencing training opportunities for personnel in their stations. Ensure apparatus and command vehicles are provided with current and crucial infrastructure. Continue to utilize social media to provide information to the community.

	2014-2015	2015-2016	2016-2017	2017-2018
Performance Measures	Actual	Actual	Estimated	Goal
<i>Work Load</i>				
# of Incident Responses	6,640	6,604	6,550	6,500
Educational Programs/Projects	403	439	375	350
# of Fire Inspector Activities	5,493	5,528	5,450	5,400
<i>Efficiency</i>				
Inspection Activities completed per F.T.E.	1,883	1,727	1,600	1,500
Cost per Fire Department response	\$1,464	\$1,452	\$1,450	\$1,450
<i>Effectiveness</i>				
Average Response Time to Priority One Calls in Minutes	4:21	4:35	4:30	4:30
% of Full Response within 8-minutes Travel Time (new)	82%	84%	85%	85%

Fire Department



Fire Station 1 located at 19 2nd Street NE is headquarters for Fire Administration. The Fire Chief's office is located at the headquarters station. Fire Education and Fire Prevention offices are located on the second floor of the Julian G. Whitener Municipal Building. The City of Hickory Fire Department operates out of six community-based locations along with one aircraft fire rescue station located at the Hickory Regional Airport. All fire stations are staffed with full time personnel working a twenty-four shift schedule. The Hickory Fire Prevention Bureau can assist with information on fire code, plan reviews and fire code inspections for all types of occupancy classification. Fire Prevention issues permits for installation of fire alarms, sprinkler systems, other related fire protection systems, storage tank installation and removal, including special events.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	7,957,898	8,212,509	8,535,856	3.9%
Operations	1,461,635	1,256,260	1,358,940	8.2%
Capital	1,443,975	933,200	915,650	-1.9%
Pro Rata Reimbursement	(34,429)	(35,117)	(35,819)	2.0%
Expenditure Total	10,829,079	10,366,852	10,774,627	3.9%
Per Capita	269	257	266	3.3%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Restricted Intergovernmental	399,940	308,400	365,949	18.7%
Sales and Services	181,543	163,400	163,400	0.0%
Other Financing Sources	-	600,000	450,000	-25.0%
General Fund	10,247,596	9,295,052	9,795,278	5.4%
Revenue Total	10,829,079	10,366,852	10,774,627	3.9%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	135	135	135	0.0%
Part Time	2	3	2	-33.3%
Total	137	138	137	-0.7%

Public Services: Building Services Division



Additional Information about the Building Services Division may be obtained by calling Alex Brittain at 828.323.7500 or abrittain@hickorync.gov

Functional Area:

General Government

Mission Statement: To coordinate public service activities in such a way to maximize resources, while maintaining a healthy and pleasant environment for customers and coworkers.

2016/2017 Accomplishments: Over the past year Building Services has been involved in several large projects.

- Kiwanis Splash Pad
- Hickory Community Theater Plumbing project
- Rebuilt and painted front porch at Shuford House
- City Hall Elevator project
- Replaced air handler motor at Patrick Beaver Memorial Library
- Installed new LED lighting at: Public Services, City Hall, Highland Recreation Fitness Center, and on Union Square

2017/2018 Goals and Objectives:

Goal: Continue upgrades to LED lighting in City owned facilities

- **Objective:** To partner with all city divisions to upgrade to LED lighting one facility at a time to reduce electrical consumption

Goal: Complete Trade Alley electrical repair and lighting upgrades

- **Objective:** Building Service to continue following Hickory Sand to keep electrical conduits repaired as needed and to install 25 foot metal poles with new LED lighting

Goal: New Chiller at Patrick Beaver Memorial Library

- **Objective:** Building Services to perform all electrical wiring for new chiller package for cooling at the Patrick Beaver Library

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
# of service requests received, scheduled & serviced by the Building Services division	846	850	848	850
<i>Efficiency</i>				
% of Building Division's service requests completed in 48 hours	86%	85%	92%	88%
<i>Effectiveness</i>				
Average labor cost per service request	\$53.80	\$54.70	\$54.74	\$54.00

Public Services: Building Services Division



The Building Services division is located and operates from the Public Services complex located at 1441 9th Ave NE. The division consists of six staff personnel: one Building Maintenance Manager, one Electrical Supervisor, two Electricians and two Construction & Maintenance Worker positions. The group mainly performs a variety of internal citywide services for all city facilities. These services range from general and preventative maintenance, HVAC troubleshooting and repair work, remedial plumbing and small construction, extensive electrical maintenance and troubleshooting as well as awarded council directive projects and a 24 hour on call emergency services to provide services in maintaining facility operations. The Building Services group works under the direction of the Public Services Manager and the Public Services Director.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	327,632	330,415	317,100	-4.0%
Operations	56,106	74,030	74,097	0.1%
Capital	1,597	7,900	58,000	634.2%
Pro Rata Reimbursement	(300,804)	(306,820)	(312,958)	2.0%
Expenditure Total	84,531	105,525	136,239	29.1%
Per Capita	2	3	3	28.4%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Sales and Services	12,274	12,000	12,000	0.0%
General Fund	72,257	93,525	124,239	32.8%
Revenue Total	84,531	105,525	136,239	29.1%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	6	6	6	0.0%
Total	6	6	6	0.0%

Public Services: Central Services Division



Additional Information about Central Services Division may be obtained by calling Steve Miller, Assistant Public Services Director, at 828.323.7500 or smiller@hickorync.gov

Functional Area:

General Government

Mission Statement:

To provide customer service that is accurate for both internal and external customers. This division provides daily assistance to all Public Services Divisions in their reporting and response activities.

2016/2017 Accomplishments:

- Maintained data entry of work orders on a daily basis.
- Streamlined the VC3 citizen-request module to channel important information pertaining to Public Service/Public Utilities for a quicker response.
- Decreased errors on work orders to less than 1 percent.
- Assisted Public Service/Public Utilities Department to meet goals for divisions by creating service requests and entering work orders in a timely manner.

2017/2018 Goals and Objectives:

Goal: Assist all Public Services divisions in daily activities as needed.

- **Objective:** Provide data collection on service request for better service delivery.
- **Objective:** Produce reports as needed by division supervisors.
- **Objective:** Analyze time allocation by determining work order hours versus scheduled hours worked.

Goal: Maintain data entry of work orders on a daily basis.

- **Objective:** Provide work orders to office assistant on a daily basis.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
Work Load				
# of work orders entered (annual)	21,240	24,015	19,753	20,000
Efficiency				
Average Response Rate-VC3 Service Request Days	3	3	3	3
Effectiveness				
% of time accounted for on work orders vs. actual time turned in for Public Services	98%	90%	96%	98%

Public Services: Central Services Division



This division provides office support to all divisions within Public Services. Customer inquiries, complaints, and service requests regarding Public Services divisions are fielded by this division and forwarded to the proper division for prompt response.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	482,277	480,542	481,130	0.1%
Operations	113,433	153,645	153,791	0.1%
Capital	104,825	3,000	3,000	0.0%
Pro Rata Reimbursement	(254,891)	(259,989)	(265,189)	2.0%
Expenditure Total	445,644	377,198	372,732	-1.2%
Per Capita	11	9	9	-1.8%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	445,644	377,198	372,732	-1.2%
Revenue Total	445,644	377,198	372,732	-1.2%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	7	7	7	0.0%
Total	7	7	7	0.0%

Public Services: Traffic Division



Additional Information about the Public Services Traffic Division may be obtained by calling Caroline M. Kone, P.E., at 828.323.7500 or ckone@hickorync.gov

Functional Area:

Transportation

Mission Statement:

To provide and maintain a safe, effective, and efficient surface transportation system through appropriate and innovative traffic engineering solutions.

2016/2017 Accomplishments:

- Inventoried 60% of all signs within City limits to include installation date, sign type, and location
- Installed 15,000 ft. of white edge line
- Installed 40,000 ft. of centerline
- Re-timed 30 signalized intersections

2017/2018 Goals and Objectives:

Goal: Reduce travel time delays for drivers

- **Objective:** Maintain signal system

Goal: Provide effective transportation system

- **Objective:** Refresh intersection pavement markings

Goal: Enhance safety on roadways

- **Objective:** Make sure minimum retroreflectivity standards are met

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
# of intersection markings refreshed	91	91	96	95
<i>Efficiency</i>				
Reduce travel time delay at signalized intersections (average percent reduction)	16.51%	11.17%	20.45%	10%
<i>Effectiveness</i>				
Average response time (VC3) to citizens	20 hrs 35 min	88 hrs 19 min	18 hrs 29 min	24 hrs

Public Services: Traffic Division



This division maintains all traffic signals within City limits for the North Carolina Department of Transportation (NCDOT). Traffic signals, traffic markings, and street signs also fall under the responsibility of this division.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	482,435	588,933	637,761	8.3%
Operations	1,171,525	1,245,495	1,253,764	0.7%
Capital	59,290	224,000	37,000	-83.5%
Pro Rata Reimbursement	(14,149)	(14,431)	(14,720)	2.0%
Expenditure Total	1,699,101	2,043,997	1,913,805	-6.4%
Per Capita	42	51	47	-6.9%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Unrestricted Intergovernmental	305,628	300,000	300,000	0.0%
Sales and Services	53,164	60,000	56,000	-6.7%
General Fund	1,340,309	1,683,997	1,557,805	-7.5%
Revenue Total	1,699,101	2,043,997	1,913,805	-6.4%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	11	11	11	0.0%
Part Time	-	1	-	-100.0%
Seasonal	4	4	4	0.0%
Total	15	16	15	-6.3%

Public Services: Street Division



Additional Information about the Public Services Street Division may be obtained by calling Caroline M. Kone, PE at 828.323.7500 or ckone@hickorync.gov

Functional Area:

Transportation

Mission Statement:

To provide an attractive and safe transportation system for pedestrians and vehicles by maintaining present facilities and constructing additional infrastructure where and when necessary.

2016/2017 Accomplishments:

- Resurfaced 18 lane miles of streets
- Installed approximately 1,700 linear feet of new sidewalk
- Installed approximately 900 linear feet of curb & gutter

2017/2018 Goals and Objectives:

Goal: Provide safe walkways for pedestrians

- **Objective:** Construct all budgeted sidewalk projects by July, 2018

Goal: Provide safe streets for the travelling public

- **Objective:** Resurface and provide necessary maintenance

Goal: Provide safe and reliable storm drain system

- **Objective:** Make necessary repairs and upgrades to storm drain system

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
Linear feet of new sidewalk construction	5,690	4,300	1,681	4,000
NCDOT right of way miles maintained	5,872	4,600	4,700	4,700
<i>Efficiency</i>				
Tons of asphalt in place per lane mile maintained (annually)	580	580	580	580
Cost per ton of asphalt placed – contractor	\$76.50	\$76.50	\$76.50	\$76.50
<i>Effectiveness</i>				
% of potholes repaired within 24 hours	95%	94%	96%	95%

Public Services: Street Division



This division is responsible for curb and gutter installation, sidewalks, driveway entrance construction, pothole repair, and street maintenance (sweeping, cleaning, and right of way mowing). This division also handles snow removal, storm drain repairs, and mowing of overgrown lots. Each year the City Council adopts a paving list that identifies all streets to be paved/resurfaced in the upcoming fiscal year. The Street Division assists the Engineering Division in preparation of the list and executes work as directed by Council.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	1,611,155	1,971,716	2,090,076	6.0%
Operations	1,528,898	1,661,282	1,661,385	0.0%
Capital	285,309	430,000	482,000	12.1%
Pro Rata Reimbursement	(56,882)	(58,020)	(59,180)	2.0%
Expenditure Total	3,368,480	4,004,978	4,174,281	4.2%
Per Capita	84	99	103	3.6%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Other Taxes	174,458	150,000	150,000	0.0%
Restricted Intergovernmental	1,309,798	1,325,000	1,325,000	0.0%
Sales and Services	5,388	10,000	10,000	0.0%
General Fund	1,878,836	2,519,978	2,689,281	6.7%
Revenue Total	3,368,480	4,004,978	4,174,281	4.2%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	43	43	43	0.0%
Part Time	5	9	5	-44.4%
Seasonal	6	6	6	0.0%
Total	54	58	54	-6.9%

Public Services: Landscape Services Division



Additional Information about the Public Services Landscape Services Division may be obtained by calling Jonathan Hogan, Landscape Manager at 828.323.7500 or jhogan@hickorync.gov

Functional Area: General Government

Mission Statement:

To beautify and maintain all City properties in order for them to be aesthetically pleasing and functional in purpose for the benefit of citizens.

2016/2017 Accomplishments:

- Awarded Tree City for the 12th consecutive year.
- Completed new landscaping in Shuford Gardens around the fountain area.
- Completed landscape design for City Park parking lot for Engineering.
- Designed and installed a small art park at Patrick Beaver Library.
- Participated on Earth Day/ Arbor Day event by planting 2 Bald Cypress trees.
- Completed landscaping at LR Railroad Bridge.
- Completed landscape design for trade alley re-landscape.

2017/2018 Goals and Objectives:

Goal: Re-landscape the medians and triangles at 1st Ave NE and Hwy 127 NE

- **Objective:** Remove and replace existing plant material with new flowering shrubs.

Goal: Re-landscape the courtyard area at Shuford Gardens.

- **Objective:** Remove and replace existing plant material with new shrubs, trees and perennials.

Goal: Install new landscaping at Arrowhead triangle.

- **Objective:** Complete new design and add new landscaping/hardscape per approved design.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
# of trees/shrubs planted annually	35 / 1,575	27 / 1,071	6/2,568	8/500
# of trees/shrubs maintained	949 / 5,154	617 / 7,646	449/4794	400/3000
<i>Efficiency</i>				
Annual cost to maintain Oakwood Cemetery	85,623	92,307	88,656	91,000
Annual cost to maintain Ridgeview Cemetery	7,545	6,839	9,759	10,000
Annual cost to maintain Fairview Cemetery	17,699	14,659	12,757	15,000
<i>Effectiveness</i>				
% of Cemetery plots/graves repaired due to settling	4%	5%	4%	5%

Public Services: Landscape Services Division



This division is responsible for City cemetery maintenance, planting and landscaping of City properties, and maintaining City grounds and streets.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	663,848	770,491	837,069	8.6%
Operations	275,903	290,903	287,265	-1.3%
Capital	22,204	60,000	58,800	-2.0%
Pro Rata Reimbursement	(120,265)	(122,670)	(125,124)	2.0%
Expenditure Total	841,690	998,724	1,058,010	5.9%
Per Capita	21	25	26	5.3%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Sales and Services	38,925	30,000	30,000	0.0%
General Fund	802,765	968,724	1,028,010	6.1%
Revenue Total	841,690	998,724	1,058,010	5.9%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	17	17	17	0.0%
Part Time	1	3	1	-66.7%
Seasonal	8	8	8	0.0%
Total	26	28	26	-7.1%

Parks and Recreation Department



Additional Information about the Parks and Recreation Department may be obtained by calling Mack McLeod, Director of Parks and Recreation, at 828.322.7046 or mmcleod@hickorync.gov

Functional Area:

Culture and Recreation

Mission Statement:

To provide quality leisure services and park facilities for the citizens of Hickory including preschool ages to senior citizens.

2016/2017 Accomplishments:

- Opened the City's first dog park at Fairbrook Optimist Park on Saturday, July 17, 2016.
- Grand opening of the City's splash pad was held on Saturday, July 30, 2016 at Kiwanis Park. Soft opening was held on Saturday, July 2, 2016.
- Received \$500 grant from Wildlife Rehabilitators of North Carolina, Inc. for chimney swift tower at Civitan Park.

2017/2018 Goals and Objectives:

Goal: Measure the cost of operating concessions for all athletic sports.

- **Objective:** Analyze overall profit or loss from operating concessions each fiscal year.

Goal: Increase participation in adult athletic sports.

- **Objective:** Continue marketing programs of interest for the adult population.

Goal: Increase the percent and variety of recreation programs planned that are actually held.

- **Objective:** Implement 95% of recreation programs planned.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
% of residents/non-residents in athletic programs	81% / 19%	80% / 20%	80%/20%	80%/20%
Annual # of participants in athletic programs	2,030	2,200	2,000	2,000
# of drop-in users of recreation centers/month (Avg.)	5,482	6,500	5,300	4,300
<i>Efficiency</i>				
\$ profit/loss concessions	\$ 4,685	\$ 4,500	\$ 4,500	\$ 4,000
<i>Effectiveness</i>				
% increase in number of adult athletic programs	6%	10%	10%	10%
% recreation center programs planned that are actually held	97%	95%	95%	95%

Parks and Recreation Department



The Parks and Recreation Department is located at 1451 8th Street Drive NE. The City operates five general and two senior citizen recreation centers, eighteen parks (active and passive) consisting of 428 acres. Athletic league games, special events and instructional programs for youth, adult, and senior groups are provided in large numbers. The recreation centers offer classes in arts and crafts, ceramics and many other activities to all age groups. This department also operates the Parks Maintenance Division and L. P. Frans Stadium.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	1,208,544	1,190,495	1,223,410	2.8%
Operations	289,943	287,390	287,625	0.1%
Capital	103,207	33,103	47,300	42.9%
Pro Rata Reimbursement	42,193	43,037	43,898	2.0%
Expenditure Total	1,643,887	1,554,025	1,602,233	3.1%
Per Capita	41	39	39	2.5%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Sales and Services	209,826	197,500	197,500	0.0%
Miscellaneous	101,098	11,000	11,000	0.0%
General Fund	1,332,963	1,345,525	1,393,733	3.6%
Revenue Total	1,643,887	1,554,025	1,602,233	3.1%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	18	18	18	0.0%
Part Time	15	15	15	0.0%
Seasonal	12	12	12	0.0%
Total	45	45	45	0.0%

Parks and Recreation Dept: *Parks Maintenance*



Additional Information about the Parks and Recreation Department may be obtained by calling Mack McLeod, Director of Parks and Recreation, at 828.322.7046 or mmcleod@hickorync.gov

Functional Area:

Culture and Recreation

Mission Statement:

To provide an efficient maintenance and renovation program for all city parks and recreation facilities.

2016/2017 Accomplishments:

- Completed Phase II Improvements at Hickory Optimist Park to include new community building/restrooms, fencing and conversion of old tennis court to 4 pickleball courts.
- Held Grand Opening of Lowes Foods City Park on March 18, 2017. The park was officially opened to the public on December 17, 2016.
- Installed new restroom facility for Southside Park.

2017/2018 Goals and Objectives:

Goal: Provide efficient completion of repairs in parks and recreation centers.

- **Objective:** Complete prioritized work orders within 48 hours of submission while working within the seasonal scheduling procedures.

Goal: All playing fields are well maintained and aesthetically pleasing.

- **Objective:** Volunteer coaches rate turf and playing fields consistently above average or better.

Goal: Playground equipment and surfacing are in good condition and maintained for safety.

- **Objective:** Conduct and review weekly playground inspections.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
% of Fescue ball fields mowed and trimmed every five days	100%	100%	100%	100%
<i>Efficiency</i>				
% of playground systems inspected and serviced once every 30 days	69%	90.0%	90%	90%
% of work orders completed within 48 hours	39%	35.0%	35%	35%
<i>Effectiveness</i>				
% of coaches rating playing fields and gyms above or better	80%	100.0%	100%	100%

Parks and Recreation Dept: *Parks Maintenance*



This division is responsible for all maintenance functions within the jurisdiction of the City of Hickory Parks and Recreation Department.

	2015-2016	2016-2017	2017-2018	Percent
Expenditures by Type	Actual	Budgeted	Budgeted	Change
Personnel	1,038,718	1,049,179	1,121,291	6.9%
Operations	623,742	682,097	682,748	0.1%
Capital	324,535	284,150	356,600	25.5%
Expenditure Total	1,986,995	2,015,426	2,160,639	7.2%
Per Capita	49	50	53	6.6%

	2015-2016	2016-2017	2017-2018	Percent
Revenues by Type	Actual	Budgeted	Budgeted	Change
General Fund	1,986,995	2,015,426	2,160,639	7.2%
Revenue Total	1,986,995	2,015,426	2,160,639	7.2%

	2015-2016	2016-2017	2017-2018	Percent
Authorized Personnel	Actual	Budgeted	Budgeted	Change
Full Time	24	24	24	0.0%
Part Time	-	-	-	0.0%
Seasonal	7	7	7	0.0%
Total	31	31	31	0.0%

Parks and Recreation Dept: *L.P. Frans Stadium*



Additional Information about the Parks and Recreation Department may be obtained by calling Mack McLeod, Director of Parks and Recreation, at 828.322.7046 or mmcleod@hickorync.gov

Functional Area: Culture and Recreation

Mission Statement:

To maintain L.P. Frans Stadium in accordance with the existing lease agreement between the City of Hickory and Hickory Baseball, Inc.

2016/2017 Accomplishments:

- Successfully met Hickory Baseball's requirements for preparation of L.P. Frans Stadium for opening day of the 2017 season.

2017/2018 Goals and Objectives:

Goal: To maintain the stadium structure for use by the Hickory Crawdads baseball team.

- **Objective:** Adhere to terms and conditions of stadium lease agreement.

Goal: Pursue special events and performances suitable for stadium use.

- **Objective:** Maintain the number of stadium rentals and special events from FY 2016-17.

Goal: Measure the cost of maintaining L.P. Frans Stadium under lease agreement.

- **Objective:** Maintain FY 2017-18 budgeted funding levels.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
Average attendance at baseball games	2,187	2,000	2,000	2,000
<i>Efficiency</i>				
% of work order requests from Hickory Baseball completed within 72 hours	76%	35%	35%	35%
<i>Effectiveness</i>				
Cost to maintain stadium structure (Annual)	\$109,399	\$97,323	\$102,423	\$97,402

Parks and Recreation Dept: *L.P. Frans Stadium*



This division is responsible for the maintenance of L.P. Frans Stadium in accordance with professional baseball standards, and for minor league baseball games and other special events.

Expenditures by Type	Actual	Budgeted	Budgeted	Change
Operations	100,242	97,323	97,402	0.1%
Capital	-	5,100	313,500	6047.1%
Expenditure Total	100,242	102,423	410,902	301.2%
Per Capita	2	3	10	298.8%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Sales and Services	2,700	11,700	11,700	0.0%
General Fund	97,542	90,723	399,202	340.0%
Revenue Total	100,242	102,423	410,902	301.2%

Public Library Department



Additional Information about the Hickory Public Library system may be obtained by calling Sarah Greene, Library Director, at 828.304.0500 or sgreene@hickorync.gov

Functional Area: Culture and Recreation

Mission Statement:

Hickory Public Library connects people with excellent service, resources and empowering opportunities.

2016/2017 Accomplishments:

- Installed new self-check stations to make the process of borrowing materials more user-friendly
- Worked with a variety of community partners to provide innovative programs, including Catawba Science Center, Hickory Public Schools, Hickory Community Theatre, Hickory Museum of Art, Western Piedmont Symphony, and others.
- Upgraded public computer management software to improve access to library internet workstations.
- Collaborated with Hickory Public Schools to provide services and library cards for users of the HPS Book Bus.

2017/2018 Goals and Objectives:

Goal: The library provides state-of-the-art technology for library patrons

- **Objective:** Expand technology services and programs for library patrons

Goal: The library offers superior customer service experiences

- **Objective:** Collaborate with community agencies to provide innovative library programs

Goal: The community is aware of all that the library has to offer

- **Objective:** Develop new marketing strategies to increase the library's visibility in the community

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
Circulation (raw number)	386,835	390,583	383,402	390,000
<i>Efficiency</i>				
Program Attendance	30,205	20,358	19,201	20,000
<i>Effectiveness</i>				
% of items checked out using self-check stations	15%	10.97%	6.27%	15%

Public Library Department



The City of Hickory operates two libraries, the Patrick Beaver Memorial Library and Ridgeview Library. The Patrick Beaver Memorial Library is a state-of-the-art facility that opened in January 1998. The Ridgeview branch opened in the Spring of 1998. The libraries are committed to providing timely and accurate information for the citizens of the community, enhancing the informational literacy of customers, and stimulating the interest of citizens in reading and learning. The libraries provide audiovisual collections, reference materials, children's collections and access to the internet. The libraries' patrons include residents of Hickory and at least four surrounding counties.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	1,121,299	1,242,284	1,303,502	4.9%
Operations	679,498	706,182	705,165	-0.1%
Capital	115,116	175,000	135,000	-22.9%
Pro Rata Reimbursement	1,678	1,712	1,746	2.0%
Expenditure Total	1,917,591	2,125,178	2,145,413	1.0%
Per Capita	48	53	53	0.4%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Restricted Intergovernmental	240,717	235,217	246,717	4.9%
Sales and Services	45,358	45,000	43,000	-4.4%
General Fund	1,631,516	1,844,961	1,855,696	0.6%
Revenue Total	1,917,591	2,125,178	2,145,413	1.0%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	18	18	18	0.0%
Part Time	18	18	18	0.0%
Seasonal	2	2	2	0.0%
Total	38	38	38	0.0%

City Hall/Public Buildings



Additional information about the City Hall/ Public Buildings Division may be obtained by calling Alex Brittain, Buildings Manager or abrittain@hickorync.gov

Functional Area:

General Government

Mission Statement:

To house and accommodate the operations of government in a cost-effective manner.

2016/2017 Accomplishments:

- Performed major elevator repair project
- Constructed new office on 3rd floor for Bond Project Management division
- Installed new security cameras
- Installed motion active light switches
- Installed new LED lighting throughout City Hall building

2017/2018 Goals and Objectives:

Goal: Rebuild cooling tower to assure maximum life for HVAC equipment

- **Objective:** To replace shaft and worn-out fan housing to allow cooling tower to perform at maximum efficiently

Goal: Building Services to build new office space in City Hall

- **Objective:** Building new office space and move fire to first floor and move Communications to second floor

Goal: VAV retro project

- **Objective:** To rebuild another VAV and tie into the control center and to make facility more energy efficient

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
# of service requests received scheduled & serviced for City Hall & Union Square	133	215	257	250
<i>Efficiency</i>				
% of preventive maintenance program completed via internally or under contract	100%	100%	100%	100%
<i>Effectiveness</i>				
# of false security alarms requiring response in maintaining facility security	New	95%	98%	98%

City Hall/Public Buildings



City Hall for the City of Hickory is located in the Julian G. Whitener Municipal Building in downtown Hickory and was built in 1977. This is where the City Manager's Office is located and where the administration of the City, as prescribed by the North Carolina General Statutes, coordinates all activities and carries out all policies and actions of the City Council. The Council Chambers are also located in this building where the Council holds their meetings on the first and third Tuesdays of the month. General information and service requests from citizens and businesses are also available at this site through the Action Center.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	26,313	26,501	26,501	0.0%
Operations	296,028	316,962	321,869	1.5%
Capital	864,915	-	-	0.0%
Pro Rata Reimbursement	(8,076)	(8,237)	(8,402)	2.0%
Expenditure Total	1,179,180	335,226	339,968	1.4%
Per Capita	29	8	8	0.8%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Fund	1,179,180	335,226	339,968	1.4%
Revenue Total	1,179,180	335,226	339,968	1.4%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Part Time	2	2	2	0.0%
Total	2	2	2	0.0%

Board and Agency Funding



The City Council provides financial support to various organizations that contribute to the quality of life for all City residents, contribute to the revenue base of the City, or provide a necessary service that the City itself does not currently provide. To qualify for funding, an organization must generally be non-profit with a policy of non-discrimination and submit multi-year plans, audited financial records, and a list of board of directors. The City Council also appoints several Boards and Commissions to assist the Council by providing recommendations on policies, enforcing regulations established by Council and promoting activities and programs that improve the quality of life in the City.

Board/Agency Funding by Functional Area	2014-2015 Actual	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Government					
Community Appearance Commission	498	410	1,300	1,300	0%
Public Art Commission	6,815	15,220	16,000	16,000	0%
<i>Subtotal</i>	7,313	15,630	17,300	17,300	0%
Public Safety					
Spay and Neuter Program	908	339	0	0	0%
<i>Subtotal</i>	908	339	0	0	0%
Economic and Community Development					
Catawba County EDC	132,440	132,113	151,977	136,716	-10%
Downtown Development Association	50,000	50,000	50,000	50,000	0%
Economic Dev. - Miscellaneous	48,764	32,014	16,000	7,840	-51%
Economic Dev. Incentives	561,875	358,146	392,617	351,817	-10%
Façade/Landscape Grant	34,336	36,470	40,000	40,000	0%
Hickory Community Relations Council	16,730	16,052	17,000	17,000	0%
Hickory Convention/Visitors Bureau	20,000	20,000	20,000	20,000	0%
Historic Preservation	6,773	3,612	11,100	11,100	0%
International Council	5,871	12,709	13,000	13,000	0%
Tourism Development Authority	1,616,179	1,888,878	1,500,000	1,800,000	20%
University City Commission	2,920	9,065	12,000	12,000	0%
Vacant Building Revitalization	95,917	82,704	100,000	100,000	0%
Western Piedmont Council of Governments	34,223	36,055	35,060	35,624	2%
Youth Council	3,558	4,012	3,600	3,600	0%
<i>Subtotal</i>	2,629,586	2,681,830	2,362,354	2,598,697	10%
Culture and Recreation					
SALT Block Facility Improvement	180,770	100,000	100,000	100,000	0%
United Arts Council of Catawba County	40,010	40,065	40,143	40,143	0%
<i>Subtotal</i>	220,780	140,065	140,143	140,143	0%
Total	2,858,587	2,837,864	2,519,797	2,756,140	9%

General Fund Debt Service



The debt service appropriations account for the payment of principal and interest on general obligation bonds and notes, and proceeds from debt instruments to finance major capital projects. General Statute 159-13 (b) (1) requires the full amount established by the finance officer for a budget year to be appropriated for debt service. A government unit will earmark respective fund revenues to meet debt service obligations.

General Fund Debt	2014-2015 Actual	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Bonded Debt					
Interest	0	0	0	0	0%
Road Bond Projects	0	0	0	0	0%
Subtotal	0	0	0	0	0%
Installment Purchase					
Communications System	104,269	104,269	104,269	104,269	0%
General Government	602,800	702,800	702,800	702,800	0%
Interest	124,470	144,031	118,024	89,481	-24%
Recreation	385,619	385,618	385,618	0	-100%
Subtotal	1,217,158	1,336,718	1,310,711	896,550	-32%
Grand Total	1,217,158	1,336,718	1,310,711	896,550	-32%

Transfers/Other Financing Uses

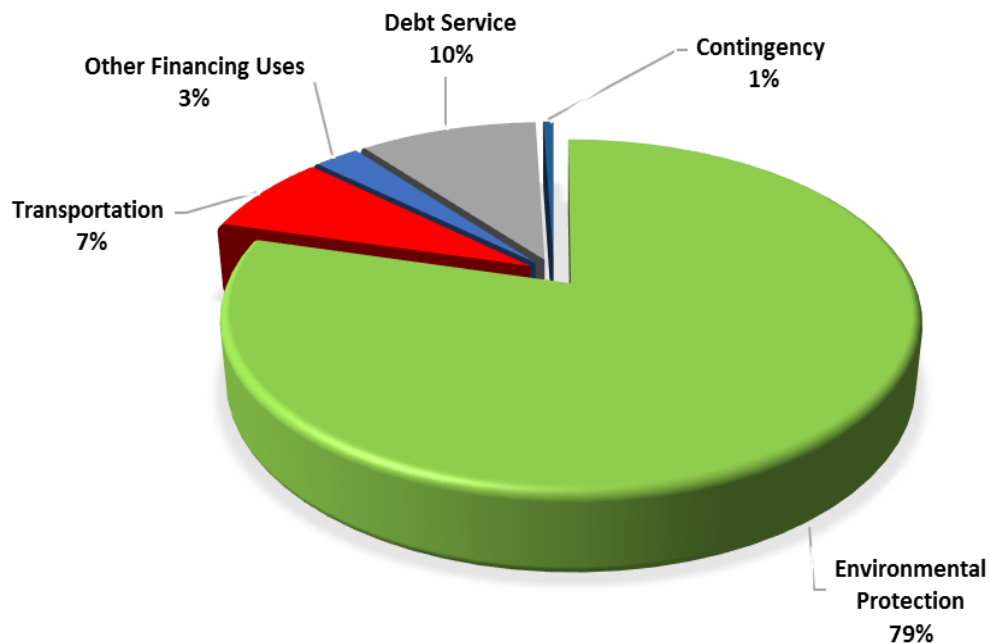
Interfund transfers are transfers between the fund(s) receiving sources and the fund(s) through which the resources are to be expended. The transfer to the Capital Reserve Fund, for example, reserves funds for future capital outlay needs as prescribed in Council's financial policy and Capital Improvement Plan.

Transfers from General Fund	2014-2015 Actual	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Capital Projects	1,101,630	214,016	0	0	0%
Capital Reserve Fund	1,032,236	1,051,560	920,000	920,000	0%
Internal Service Fund	0	0	0	0	0%
Multi-Year Grant Program Fund	24,338	32,812	0	0	0%
Solid Waste Fund	973,752	214,049	146,460	0	-100%
Stormwater Fund	277,858	132,947	133,851	135,137	1%
Transportation Capital Projects Fund	257,915	0	0	0	0%
Transportation Fund	95,186	0	0	0	0%
Total	3,762,915	1,645,384	1,200,311	1,055,137	-12%

Enterprise Fund

The Enterprise Funds are comprised of the Water and Sewer, Stormwater, Sludge Compost, Transportation, and Solid Waste funds. The Water and Sewer and Solid Waste funds are financed through user charges. Hickory, Conover and Catawba County finance the Sludge Compost Fund through intergovernmental agreements and participation. The following functional areas are included in the Enterprise Funds: Environmental Protection, Transportation, Other Financing Uses, Debt Service and Contingency.

ENTERPRISE FUND EXPENDITURES BY FUNCTIONAL AREA



Enterprise Fund

Enterprise Fund Revenue by Category	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Other Taxes	25,623	25,000	25,000	0.0%
Restricted Intergovernmental	3,140,897	2,913,915	2,799,920	-3.9%
Sales and Services	28,087,699	28,542,307	28,805,937	0.9%
Investment Earnings	327,437	56,000	72,500	29.5%
Miscellaneous	1,786,236	343,000	342,500	-0.1%
Other Financing Sources	6,406,942	2,320,290	2,521,650	8.7%
Revenue Total	39,774,834	34,200,512	34,567,507	1.1%
Per Capita	988.88	848.02	852.11	

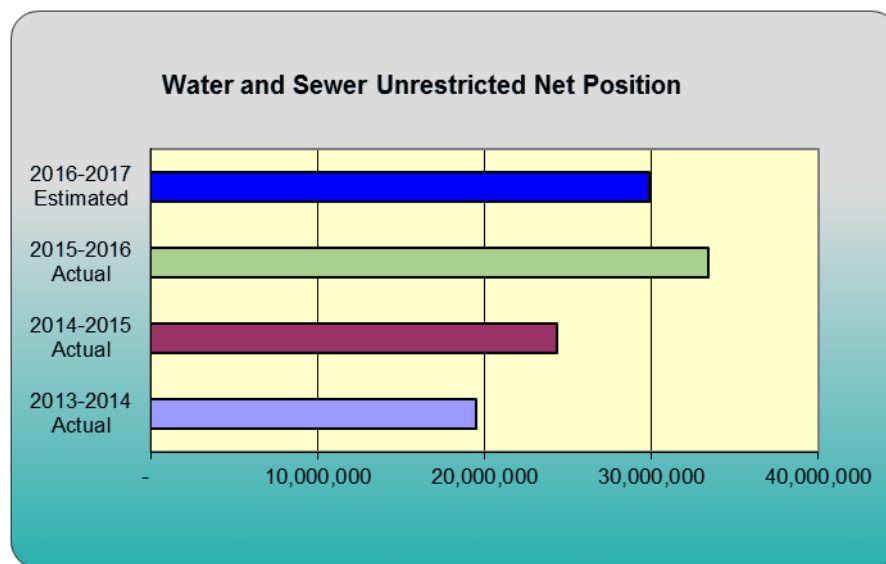
Enterprise Fund Expenditure by Category	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	6,635,863	7,670,598	8,086,046	5.4%
Operations	11,555,273	13,428,912	13,455,625	0.2%
Capital	462,962	3,833,700	4,305,696	12.3%
Contingency	-	380,000	200,000	-47.4%
Special Appropriations	48,424	63,002	50,290	-20.2%
Debt Service	798,730	3,619,792	3,466,963	-4.2%
Interfund Transfers	1,400,608	1,157,697	875,137	-24.4%
Pro Rata Reimbursement	3,975,865	4,046,811	4,127,750	2.0%
Expenditure Total	24,877,725	34,200,512	34,567,507	1.1%
Per Capita	618.51	848.02	852.11	

Water and Sewer Fund

Unrestricted Net Position Projection

The unrestricted net position in the Water and Sewer Fund was \$33,405,340 on June 30, 2016. This amount is expected to decrease by \$3,569,189 during FY2016-2017. Going into FY2017-2018, the unrestricted net position of the Water and Sewer Fund is expected to be \$29,836,151.

	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
Unrestricted Net Position				
Water and Sewer Fund	19,464,584	24,323,219	33,405,340	29,836,151
Dollar Change	1,808,077	4,858,635	9,082,121	(3,569,189)
Percent Change	10.2%	25.0%	37.3%	-10.7%



Public Utilities Administration



Additional Information about the Public Utilities Administration Division may be obtained by calling M. Shawn Pennell, DS-A, CS-4, Assistant Public Services Director, at 828.323.7427 or spennell@hickorync.gov

Functional Area: Environmental Protection

Mission Statement:

To respond to Federal, State and Local requirements, to educate the community about public utilities, and to provide leadership in developing regional utility agreements in anticipation of becoming a regional provider.

2016/2017 Accomplishments:

- Received \$4.9 million in low interest loans for infrastructure improvements.
- Renewed operations contract with Alexander County.
- Completed 7 Local Water Supply Plans.
- Successfully implemented technology into service vehicles via Ipad's for mapping and repairs.

2017/2018 Goals and Objectives:

Goal: Provide regional services.

- **Objective:** Partner with systems in the region to provide reliable, sustainable water and sewer services.

Goal: Sustainably manage the City of Hickory utility system.

- **Objective:** Operate within Budget to provide water and sewer services and improve the system.

Goal: Improve system reliability.

- **Objective:** Plan for and complete budgeted projects to rehabilitate critical components of the system.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
# of publications produced per year	19	17	18	15
<i>Efficiency</i>				
% of meters read per month	99.9%	99.9%	99.8%	95%
<i>Effectiveness</i>				
% of construction plans reviewed within 10 days	100%	100%	100%	100%

Public Utilities Administration

Public Utilities Administration is responsible for ensuring proper management and operation of the Public Utilities Department. They are directly responsible for budget preparation and management, meter reading, capital projects/planning and development, plan review and permit writing. Public Utilities Administration manages the water and wastewater enterprise fund.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	518,666	724,987	789,253	8.9%
Operations	2,429,507	2,335,544	2,387,328	2.2%
Capital	403,650	129,800	141,028	8.7%
Contingency	-	300,000	150,000	-50.0%
Special Appropriations	48,424	63,002	50,290	-20.2%
Pro Rata Reimbursement	3,353,687	3,412,150	3,480,394	2.0%
Expenditure Total	6,753,934	6,965,483	6,998,293	0.5%
Per Capita	168	173	173	-0.1%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Sales and Services	4,812,297	6,575,483	6,598,293	0.3%
Investment Earnings	292,472	50,000	60,000	20.0%
Miscellaneous	1,649,165	340,000	340,000	0.0%
Revenue Total	6,753,934	6,965,483	6,998,293	0.5%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	10	11	11	0.0%
Seasonal	1	1	-	-100.0%
Total	11	12	11	-8.3%

Utilities Collections Division



Additional Information about the Collection System Division may be obtained by calling Kevin Hutchison, CS-4, Collections Manager, at 828.323.7427 or khutchison@hickorync.gov

Functional Area: Environmental Protection

Mission Statement:

To maintain and timely repair water and wastewater facilities in order to protect the environment and natural resources of the community.

2016/2017 Accomplishments:

- Replaced Lakeshore pump station with a new up-to-date pump station and expanded for future growth and reliability.
- Rebuilt Moose Club Pump station for extended service life and reliability.
- Cleared 65,412 feet of Right of Way for the year.

2017/2018 Goals and Objectives:

Goal: To meet the state requirement for sanitary sewer line cleaning.

- **Objective:** To clean a minimum of 10% of the sanitary sewer system.

Goal: To meet the goal for sanitary sewer line right-of-way maintenance.

- **Objective:** To maintain 20% of sanitary main right-of-way per year.

Goal: To study and make corrections in system Inflow / Infiltration.

- **Objective:** To achieve a 1% reduction in I/I in the Collection System.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
Total linear feet of sewer line cleaned	109,770	134,810	236,600	260,000
Total # of sewer service requests	199	183	257	250
<i>Efficiency</i>				
Average cost per request for sewer maintenance	\$220	\$200	\$214	\$225
<i>Effectiveness</i>				
% of Right-of-Way maintained	20%	20%	27%	20%

Utilities Collections Division



This division is responsible for proper operation and maintenance of Hickory's 476 miles of collection system and 51 pump stations. This operation is staffed 24 hours a day with State Certified Operators on each crew that performs construction or maintenance.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	645,454	798,245	888,192	11.3%
Operations	702,932	724,598	716,135	-1.2%
Capital	52,457	1,401,000	474,300	-66.1%
Expenditure Total	1,400,843	2,923,843	2,078,627	-28.9%
Per Capita	35	72	51	-29.3%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Water and Sewer Fund	1,400,843	2,923,843	2,078,627	-28.9%
Revenue Total	1,400,843	2,923,843	2,078,627	-28.9%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	13	13	16	23.1%
Seasonal	1	1	1	0.0%
Total	14	14	17	21.4%

Henry Fork Plant Division



Additional Information about the Henry Fork Division may be obtained by calling Robert Shaver, WWT-4, WWTF Superintendent, at 828.294.0861 or rshaver@hickorync.gov.

Functional Area:

Environmental Protection

Mission Statement:

To promote and protect the environment, health and natural resources of customers through responsible stewardship in the treatment of wastewater returned to streams and lakes.

2016/2017 Accomplishments:

- Maintained 100% compliance with all NPDES permit requirements.
- Hired and trained several new operators while successfully maintaining the plant and treatment process.
- Worked with HDR Engineering to develop a Facilities Master Plan for the planning of capital replacement and plant optimization at the Henry Fork Plant.

2017/2018 Goals and Objectives:

Goal: Work to develop a cross training program with each wastewater facility.

- **Objective:** To ensure a well trained staff with a diverse skill set.

Goal: Maintain a safe and effective workplace.

- **Objective:** To meet or exceed NPDES permit requirements and promote coworker safety.

Goal: Implement recommendations of the Facilities Master Plan.

- **Objective:** To ensure plant equipment and facilities are maintained adequately for the foreseeable future.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
Tons of solids hauled to Compost Facility	1,385	1,107	1,225	1,500
<i>Efficiency</i>				
Chemical cost per thousand gallons wastewater treated	\$0.06	\$0.053	\$0.05	\$0.06
<i>Effectiveness</i>				
% of solids removal through the facility	98%	98%	98%	90%

Henry Fork Plant Division



This division is responsible for ensuring wastewater is properly treated before discharge into the Jacob Fork River. This is a nine million gallons per day facility, staffed continuously with State Certified Operators. This facility receives wastewater flow generally from areas in South Hickory and Burke County.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	483,903	531,707	485,582	-8.7%
Operations	437,958	579,314	575,076	-0.7%
Capital	-	152,000	155,000	2.0%
Expenditure Total	921,861	1,263,021	1,215,658	-3.7%
Per Capita	23	31	30	-4.3%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Restricted Intergovernmental	95,238	50,000	50,000	0.0%
Water and Sewer Fund	826,623	1,213,021	1,165,658	-3.9%
Revenue Total	921,861	1,263,021	1,215,658	-3.7%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	10	10	10	0.0%
Seasonal	1	1	1	0.0%
Total	11	11	11	0.0%

Northeast Plant Division



Additional Information about the Northeast Plant Division may be obtained by calling Keith Rhyne, WWT-4, WWTF Superintendent, at 828.322.5075 or krhyne@hickorync.gov.

Functional Area:

Environmental Protection

Mission Statement:

To promote and protect the environment, health and natural resources of customers through responsible stewardship in the treatment of wastewater returned to streams and lakes.

2016/2017 Accomplishments:

- The EDMR (Electronic Discharge Monitoring Report) Program was implemented and is being properly submitted to the State.
- Replaced the Waste Activated Sludge pump internally with the more reliable rotary lobe pump.
- Completed the SCADA system upgrade.

2017/2018 Goals and Objectives:

Goal: Modify and improve the grit removal process.

- **Objective:** Work with vendor in installing a grit baffle system.

Goal: Utilize the Plant Optimization Study

- **Objective:** Meet the goals and objectives identified in the 2017 Facility Master Plan.

Goal: Maintain full NPDES Permit compliance.

- **Objective:** Meet 100% of all sampling and discharge limit requirements.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
Tons of solids hauled to Compost Facility	776	744	738	1000
<i>Efficiency</i>				
Chemical cost per thousand gallons wastewater treated	\$0.03	\$0.03	\$0.03	\$0.05
<i>Effectiveness</i>				
% of solids removal through the facility	97%	98%	98%	90%

Northeast Plant Division



This division is responsible for ensuring wastewater is properly treated before discharge into the Catawba River/Lake Hickory. This is a six million gallons per day facility staffed continuously with State Certified Operators. This facility receives wastewater flow generally from North Hickory and Alexander County.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	511,402	506,477	556,702	9.9%
Operations	420,585	478,127	471,197	-1.4%
Capital	-	97,000	88,868	-8.4%
Expenditure Total	931,987	1,081,604	1,116,767	3.3%
Per Capita	23	27	28	2.6%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Water and Sewer Fund	931,987	1,081,604	1,116,767	3.3%
Revenue Total	931,987	1,081,604	1,116,767	3.3%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	11	11	11	0.0%
Total	11	11	11	0.0%

Water Plant Division



Additional Information about the Water Plant Division may be obtained by calling Andrew Foy, SW-A, Water Treatment Facility Superintendent, at 828.323.7427 or afoy@hickorync.gov

Functional Area:

Environmental Protection

Mission Statement:

To promote and protect the environment, health and natural resources of customers through responsible stewardship in the treatment of water.

2016/2017 Accomplishments:

- Continued the Water Plant efforts to engage and educate the community through hosting tour groups, community groups, schools, and universities by providing 6 tours.
- Completed lead and copper sampling, updated required sample plans and maps, initiated optimized corrosion control procedures and monitoring.
- Facilities Master Plan; for the planning of 20-year capital expenses and optimization of Facility process for increased efficiency and energy consumption.
- Met or exceeded all state and federal regulations, thereby earning the AWOP (Area Wide Optimization Program) award for the 9th year.

2017/2018 Goals and Objectives:

Goal: Maximize treatment efficiency to reduce expenses while maintaining compliance with water quality standards.

- **Objective:** Monitor treatment data and explore options to reduce chemical usage or improve process performance.

Goal: Maintain customer satisfaction and confidence.

- **Objective:** Through the introduction of a dedicated water quality technician, improve system flushing performance and begin a program to optimize sampling to identify and eliminate potential areas of concern.

Goal: Position the Water Plant to continue to be a utility provider prepared for the future.

- **Objective:** Implementing the results of the master plan and water model study to ensure continued plant performance as well as providing relevant training opportunities for staff to develop skills and knowledge to meet challenges.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
Average million gallons treated per day	11.0	11.1	12.4	12.0
Million Gallons of Billed Water per all staff FTE	54.14	57.13	61.31	61.5
<i>Efficiency</i>				
Peak capacity daily demand as a percent of treatment	43.8%	52.8%	50.1%	50.0%
Billed water as % of finished water	90.6%	85%	85%	85%
<i>Effectiveness</i>				
Customer complaints about water quality per 1,000 meters	0.27	0.44	4.92	0.50

Water Plant Division



This division is responsible for providing safe drinking water for distribution to our customers. The City of Hickory's Water Treatment Facility is a 32 million gallon-per-day facility currently producing an average of 13.85 MGD.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	499,234	590,714	637,060	7.8%
Operations	1,640,658	1,836,230	1,840,734	0.2%
Capital	1	283,000	1,866,000	559.4%
Expenditure Total	2,139,893	2,709,944	4,343,794	60.3%
Per Capita	53	67	107	59.4%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Water and Sewer Fund	2,139,893	2,709,944	4,343,794	60.3%
Revenue Total	2,139,893	2,709,944	4,343,794	60.3%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	11	11	12	9.1%
Part Time	1	2	1	-50.0%
Seasonal	1	1	1	0.0%
Total	13	14	14	0.0%

Pretreatment/Lab Division



Additional Information about the Pretreatment/Lab Division may be obtained by calling Susan McNeely, Pretreatment Supervisor, at 828-322-4821 or smcneely@hickorync.gov

Functional Area:

Environmental Protection

Mission Statement:

To provide quality laboratory/pretreatment services in order to promote and protect the environment and natural resources.

2016/2017 Accomplishments:

- Set up e-DMR reporting and began electronic reporting to the State of NC-DWR for all five (5) wastewater facilities.
- Received State approval for eight (8) Industrial User Pretreatment Permit renewals.
- Modified a Northeast WWTF Industrial User Permit.
- Provided four (4) Laboratory tours to help educate the public.
- Assisted the City of Claremont with industries, Collection Line Study, Laboratory Sampling & Testing, State Correspondence and State Inspections.

2017/2018 Goals and Objectives:

Goal: Maintain Oil & Grease Policy

- **Objective:** To monitor Hickory's approximate 214 Oil & Grease Contributors.

Goal: Maintain the City of Hickory's Pretreatment Program

- **Objective:** To monitor Hickory's 16 Industrial Users.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
# of industrial contacts for assistance of permits annually	558	778	574	525
<i>Efficiency</i>				
% of oil and grease contributors re-inspected	3.3%	4.3%	16.3%	20%
<i>Effectiveness</i>				
% of industrial permit non-compliant	2.9%	3.3%	3.1%	4%

Pretreatment/Lab Division



The Pretreatment/Lab Division performs laboratory services for the Henry Fork and Northeast Wastewater Treatment Facilities. This division also performs biological and chemical testing for industries that make up the City of Hickory's Pretreatment Program.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	366,906	351,947	390,450	10.9%
Operations	151,767	182,230	194,088	6.5%
Capital	1,230	19,400	52,900	172.7%
Expenditure Total	519,903	553,577	637,438	15.1%
Per Capita	13	14	16	14.5%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Water and Sewer Fund	519,903	553,577	637,438	15.1%
Revenue Total	519,903	553,577	637,438	15.1%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	7	7	7	0.0%
Part Time	-	1	-	-100.0%
Seasonal	1	1	1	0.0%
Total	8	9	8	-11.1%

Distribution Division



Additional Information about the Utilities Distribution Division may be obtained by calling Paul Solomon, DS-A, Utilities Infrastructure Manager, at 828.323.7427 or psolomon@hickorync.gov

Functional Area:

Environmental Protection

Mission Statement:

To provide premium quality water and sewer service to all existing and new customers as it relates to construction.

2016/2017 Accomplishments:

- Completed the Jenkins Moose Rd waterline extension project.
- Completed the Kenworth Ph. 2 waterline extension project.
- Completed the 1st Ave /West Hickory Water Tower evaluation.
- Completed the Water Distribution System Water Model.

2017/2018 Goals and Objectives:

Goal: Environmental Stewardship and meet requirement of Safe Drinking Water Act.

- Objective: To maintain state approved Chlorine residuals throughout the Distribution System.

Goal: Improve Utilities Distribution Record Keeping.

- Objective: Update City of Hickory Water Distribution Comprehensive Maps.

Goal: To improve Utilities Distribution Operations and Maintenance Technology.

- Objective: Update Equipment, Materials and Computer Technology to improve the overall efficiency the Utilities Distribution Division.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
Thousands of gallons of billed water per meter	141.1	143.1	143	160
Millions of gallons of billed water per water services FTE's	62.4	65.5	64.7	65
Miles of main line pipe per square mile of service area	2.8	2.8	2.9	2.8
Breaks and leaks per mile of main pipe line	0.12	0.17	.2	2.3
<i>Efficiency</i>				
Percent of existing pipeline replaced or rehabbed	0.07%	0.02%	0.2	.10%
<i>Effectiveness</i>				
Percent of water bills not collected	2.44%	2.29%	3.45%	3%

Distribution Division



This division is responsible for proper operation and maintenance of Hickory's 717 miles of distribution system. This operation is staffed with State Certified Operators on each construction crew that performs construction, maintenance or service connection installations.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	1,368,291	1,749,419	1,733,108	-0.9%
Operations	1,082,433	791,702	776,247	-2.0%
Capital	768,909	1,190,000	808,000	-32.1%
Expenditure Total	3,219,633	3,731,121	3,317,355	-11.1%
Per Capita	80	93	82	-11.6%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Water and Sewer Fund	3,219,633	3,731,121	3,317,355	-11.1%
Revenue Total	3,219,633	3,731,121	3,317,355	-11.1%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	35	35	33	-5.7%
Part Time	-	2	-	-100.0%
Seasonal	4	4	4	0.0%
Total	39	41	37	-9.8%



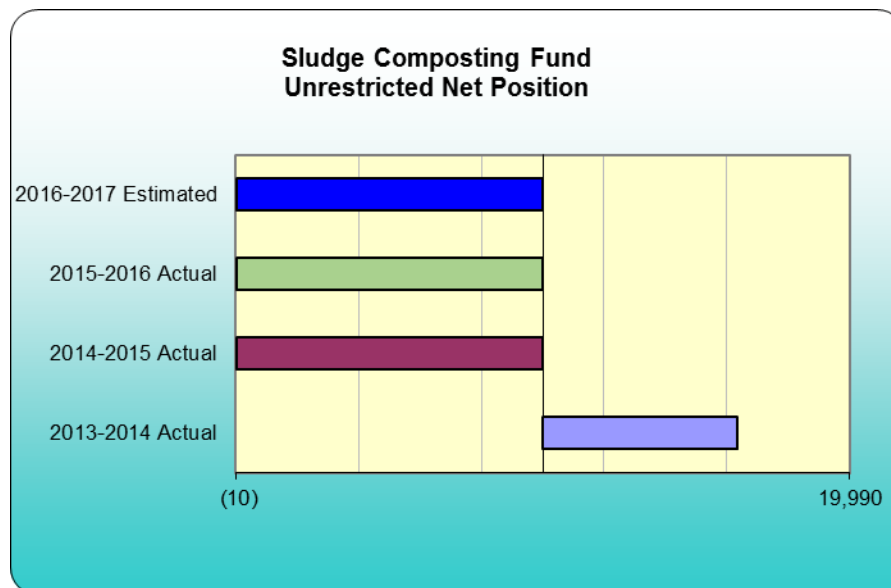
Sludge Composting Fund

The Sludge Composting Fund consists of only one department, the Sludge Compost Facility of the Public Services Department. The fund exists because of the shared ownership of the facility; Catawba County and the cities of Hickory and Conover own the facility as part of the Sludge Consortium. Hickory serves as the lead agent. The original facility was built in the late 1980's through a grant from the Environmental Protection Agency (EPA).

Unrestricted Net Position Projection

The Sludge Composting facility is a regionally operated facility whose operating costs are funded by the participating units. The City of Hickory provides administrative support and retains title to all fund assets. The facility was originally constructed with an innovative technology grant received from the Federal Environmental Protection Agency. The updated facility has been in operation since 1993. Trend information related to Sludge Composting Fund retained earnings balance is presented below:

Unrestricted Net Position	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
Sludge Composting Fund	16,348	-	(1)	(1)
Dollar Change	16,345	(16,348)	(1)	-
Percent Change	544833.3%	-100.0%	0.0%	0.0%



Sludge Composting Division



Additional Information about the Sludge Compost Facility of the Public Services Department may be obtained by calling M. Shawn Pennell, DS-A, CS-4, Assistant Public Services Director, at 828.323.7427 or spennell@hickorync.gov

Functional Area:

Environmental Protection

Mission Statement:

To accept and treat wastewater biosolids generated in the region into a reusable product, which has a positive impact on the environment.

2016/2017 Accomplishments:

- Operated sludge composting facility in compliance with 503 permit without violations.
- Produced Annual Report for EPA and NCDEQ.

2017/2018 Goals and Objectives:

Goal: Safely treat biosolids received at facility.

- **Objective:** Operate facility in compliance with 503 regulations.

Goal: Ensure sustainable long term operations.

- **Objective:** Complete long term plan for future facility operations.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
Average million gallons of sludge treated (annually)	16,003,600	15,544,100	14,729,800	16,000,000
Average dry tons treated (daily)	10.20	9.16	9.5	10
Cubic Yards of compost sold	13,087	9,006	8,393	13,000
<i>Efficiency</i>				
Avg. cost per dry ton produced	\$643.50	\$576.20	\$614.16	\$650.00
<i>Effectiveness</i>				
Percentage of weeks compliant with Residuals Permit	100%	100%	100%	100%

Sludge Composting Division



This facility is operated under contract with Veolia Water for the Sludge Consortium, of which Hickory is the lead agent. This facility is responsible for accepting biosolids from consortium participants and producing Class "A" residual compost.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Operations	1,555,702	1,555,086	1,552,660	-0.2%
Capital	-	50,000	50,000	0.0%
Pro Rata Reimbursement	118,874	121,252	123,678	2.0%
Expenditure Total	1,674,576	1,726,338	1,726,338	0.0%
Per Capita	42	43	43	-0.6%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Restricted Intergovernmental	1,656,264	1,726,338	1,726,338	0.0%
Miscellaneous	53,420	-	-	0.0%
Revenue Total	1,709,684	1,726,338	1,726,338	0.0%

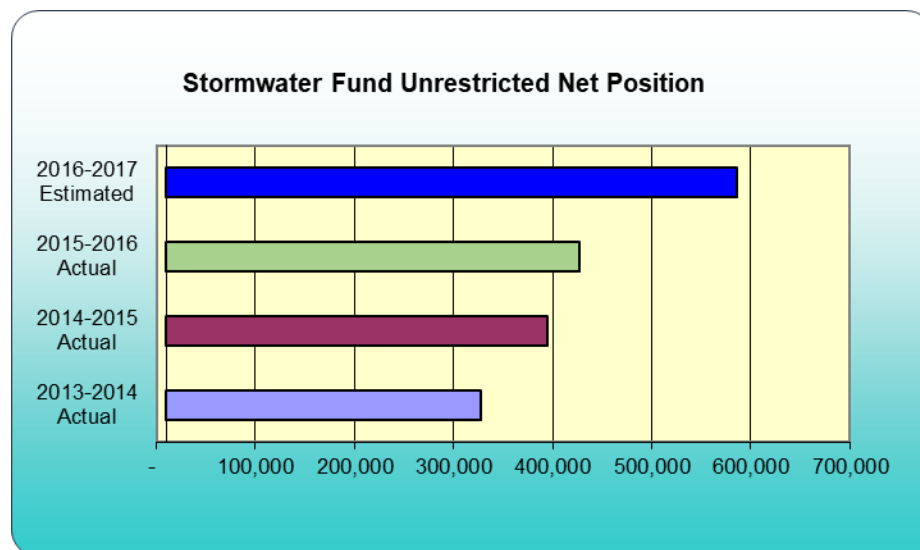
Stormwater Fund

The Stormwater Fund consists of only one department.

Unrestricted Net Position Projection

The Stormwater Fund's unrestricted net position was \$427,533 on June 30, 2016. This amount is expected to increase by \$157,857 during FY2016-2017. The unrestricted net position of the Stormwater Fund is expected to be \$585,410 going into FY2017-2018.

Unrestricted Net Position	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
Stormwater Fund	327,607	394,379	427,533	585,410
Dollar Change	43,625	66,772	33,154	157,877
Percent Change	15.4%	20.4%	8.4%	36.9%



Stormwater Division

The Stormwater Fund was presented for the first time in the FY2007-2008 budget document. The City continues their efforts in the process of developing recommendations related to the implementation of new federal stormwater mandates. However, in order to gain a greater understanding of the amount of money the City is spending related to stormwater activities, we began tracking expenses in this area in FY2007-2008. The Stormwater Division is located on the second floor of the municipal building. The Stormwater Engineer works with the Engineering Division staff to provide engineering services related to the City's storm drainage system, and serves as the primary contact for compliance with the National Pollutant Discharge Elimination System (NPDES) Phase II regulations.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	107,322	108,452	111,129	2.5%
Operations	80,945	159,250	159,145	-0.1%
Capital	48,428	-	-	0.0%
Stormwater Contribution		-		0.0%
Expenditure Total	236,695	267,702	270,274	1.0%
Per Capita	6	7	7	0.4%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Miscellaneous	52,226	-	-	0.0%
Investment Earnings	3,956	-	-	0.0%
Other Financing Sources	265,893	267,702	270,274	1.0%
Revenue Total	322,075	267,702	270,274	1.0%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	1	1	1	0.0%
Part Time	1	2	1	-50.0%
Total	2	3	2	-33.3%



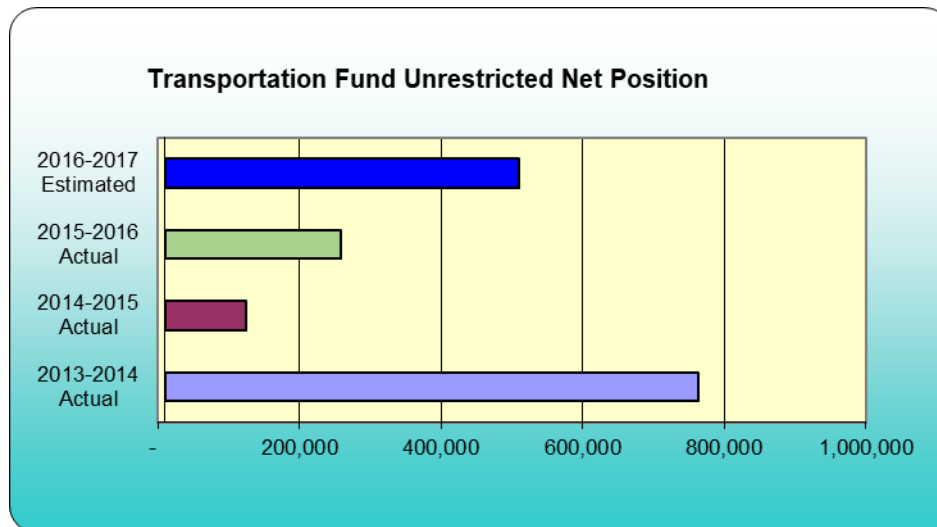
Transportation Fund

With the growth of Hickory Metro Area, no issue is more prominent than the very conduit that feeds that growth, the transportation system. The Transportation Fund includes the Hickory Regional Airport (including tower operations) and the FBO (Fixed Based Operations). The Transportation Fund was established to differentiate these divisions from General Fund departments due to the intergovernmental coalitions that fund its activities in conjunction with the City of Hickory.

Unrestricted Net Position Projection

The Transportation Fund's unrestricted net position was \$258,768 on June 30, 2016. During FY2016-2017 this amount is expected to increase \$251,910. Going into FY2017-2018 the unrestricted net position of the Transportation Fund is expected to be \$510,678. Trend information for the Transportation Fund is presented below:

Unrestricted Net Position	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
Transportation Fund	764,010	125,238	258,768	510,678
Dollar Change	81,090	(638,772)	133,530	251,910
Percent Change	11.9%	-83.6%	106.6%	97.3%



Additional Information about the Airport may be obtained by calling
Terry Clark at 828.323.7408 or tclark@hickorync.gov

Functional Area:

Transportation

Mission Statement:

Ensure the Hickory Regional Airport is managed in a safe and efficient manner consistent with federal, state and local laws and regulations and to ensure the airport meets the current and future needs of the aviation public.

2016/2017 Accomplishments:

- Completed construction of new Helicopter pad
- Purchased new ARFF truck through State-funded grant
- Made improvements to ARFF Station living quarters
- Replaced PAPI's at approach of Runway 6/24
- Held successful mock Emergency Plan Drill with surrounding City/County/State emergency response services
- Painted the exterior of the Commercial Terminal Building
- Continued to hold Part 139 Certificate

2017/2018 Goals and Objectives:

Goal: Continue to research and apply for grant funding

- **Objective:** To continue to maintain and build airport infrastructure, i.e. runways, hangars, improvements

Goal: Complete Master Plan Update

- **Objective:** To determine the future direction of airport development so as to maximize the airport's future potential

Goal: Extension of Runway 6/24

- **Objective:** Extension will allow greater distance for takeoffs, aircraft will be able to take on more fuel and the airport will become more attractive to larger aircraft

Goal: Continue to find ways to market the airport

- **Objective:** To increase the public & aviation communities awareness of available services and rental possibilities

Goal: Continue to maintain Part 139 Certificate

- **Objective:** To be prepared for the return of commercial air service

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
# of aircraft Inspections	730	732	730	730
<i>Efficiency</i>				
# of operations per year	23,545	21,409	23,062	23,500
<i>Effectiveness</i>				
# of airfield incursions	0	0	0	0

Airport Division



The Airport Department is responsible for the maintenance and operation of the City's airport according to City policy and Federal Aviation Administration (FAA) regulations. The Airport Director supervises general airport operations, Airport Tower operations and the FBO (Fixed Base Operations). Promotion of the services that are offered at the Hickory Regional Airport is the responsibility of this department. The airport features commercial air service, free parking, a café, a conference room for meetings, and several car rental agencies.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	206,363	210,223	210,668	0.2%
Operations	153,820	169,811	166,239	-2.1%
Capital	-	15,000	42,600	184.0%
Contingency	-	30,000	30,000	
Pro Rata Reimbursement	117,118	119,461	121,851	2.0%
Expenditure Total	477,301	544,495	571,358	4.9%
Per Capita	12	14	14	4.3%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Restricted Intergovernmental Revenue	3,365	6,000	6,365	6.1%
Sales and Services	58,608	43,415	41,368	-4.7%
Investment Earnings	3,423	500	1,250	150.0%
Miscellaneous Revenues	1,364	-	-	0.0%
Transportation Fund	410,541	494,580	522,375	5.6%
Revenue Total	477,301	544,495	571,358	4.9%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	3	3	3	0.0%
Part Time	-	1	-	-100.0%
Seasonal	1	1	-	-100.0%
Total	4	5	3	-40.0%



Functional Area: Transportation

The Hickory Regional Airport fixed based operations is dedicated in providing the best aviation fuel service and storage of aircraft possible to the aviation community while providing a safe workplace and maintaining an excellent on-time performance to meet the needs of our based and transient customers. Our staff are highly trained and experienced in airport fueling and towing operations. We are dedicated in expanding our operations while maintaining the same high level of services throughout.

- Continued to make improvements to hangars
- Selected by Appalachian State University as their airport for their athletic charter flights
- Entered into Commercial Use Permit with an air charter company
- Continued to offer competitive fuel prices and excellent FBO services
- Entered into Commercial Use Permit with a new Aircraft Maintenance Facility

Goal: To continue to offer competitive fuel prices and services
Objective: To increase revenues and entice new aviation customers

Goal: To continue to increase base customer inventory and attract transient customers
Objective: To increase revenues and continue to be the aviation leader of Western North Carolina

Goal: Continue to train personnel in safety and customer services
Objective: To provide customers with well-trained and experienced personnel

Goal: To provide desirable and well maintained hangar space
Objective: To increase revenues by increasing aircraft inventory, i.e. tax revenues, fuel sales, hangar rent

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
Work Load				
Gallons of aviation fuel sold at Airport	422,302	491,796	566,636	575,000
# of based aircraft	88	90	88	90
Efficiency				
# of aircraft fueled	3,450	3,760	4,075	4,500
Effectiveness				
Value of based aircraft (annual)	n/a	24,131,000	20,338,369	21,000,000

Fixed Base Operations Division



Fixed Based Operations is a division of the Hickory Regional Airport. The City of Hickory assumed Fixed Based Operations at the Airport in December 2011, and the revenue and expenses associated with that operation will continue to be included as its own cost center in this year's budget.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	295,800	300,241	303,779	1.2%
Operations	338,054	1,696,291	1,697,065	0.0%
Capital	6,050	50,000	60,000	20.0%
Expenditure Total	639,904	2,046,532	2,060,844	0.7%
Per Capita	16	51	51	0.1%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Restricted Intergovernmental Revenue	-	-	-	0.0%
Sales and Services	1,294,501	2,540,612	2,581,969	1.6%
Investment Earnings	3,423	500	1,250	150.0%
Miscellaneous Revenues	-	-	-	0.0%
Transportation Fund	(658,020)	(494,580)	(522,375)	5.6%
Revenue Total	639,904	2,046,532	2,060,844	0.7%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	5	5	7	40.0%
Part Time	5	10	-	-100.0%
Total	10	15	7	-53.3%



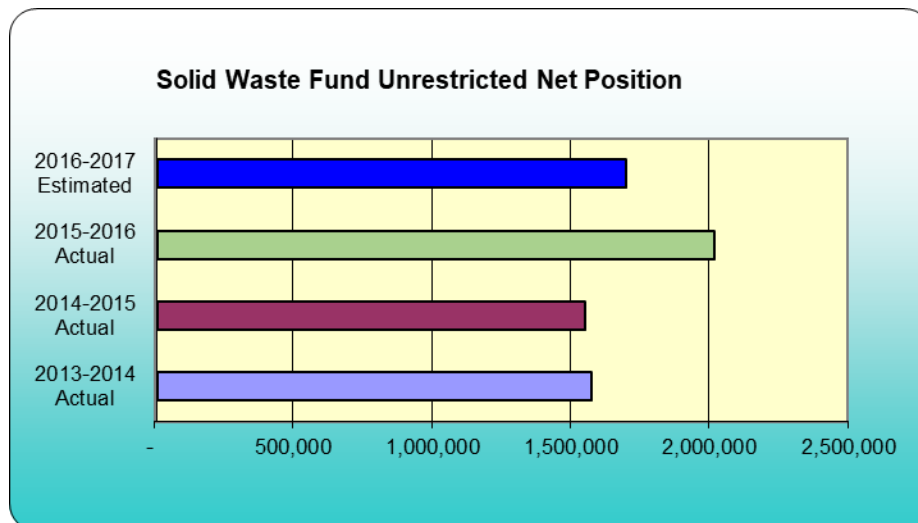
Solid Waste Fund

The Solid Waste Fund accounts for the City's recycling operations, as well as commercial and residential sanitation services. This fund is considered an Enterprise Fund because it generates revenues through sales and services to support operations.

Unrestricted Net Position Projection

The unrestricted net position of the Solid Waste Fund was \$2,020,084 on June 30, 2016. That amount is expected to decrease by \$319,595 during FY2016-2017. Going into FY2017-2018, the unrestricted net position of the Solid Waste Fund is expected to be \$1,700,489. The fund's income is derived primarily from user fees for commercial bulk services, residential service, and recycling fees. In previous years, the General Fund has also contributed operating funds to Solid Waste, with the goal of steering the Solid Waste Fund towards a one hundred percent (100%) self-sustaining status. Of note for FY 2017-18, this will be the first year where the General Fund will *not* provide a financial contribution to the Solid Waste Fund. Trend information related to the Solid Waste Fund retained earnings is presented below:

	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
Unrestricted Net Position				
Solid Waste Fund	1,576,885	1,551,585	2,020,084	1,700,489
Dollar Change	(278,424)	(25,300)	468,499	(319,595)
Percent Change	-15.0%	-1.6%	30.2%	-15.8%



Recycling Division



Additional Information about the Recycling Division may be obtained by calling Andrew Ballentine, Solid Waste Manager, at 828.323.7439 or aballentine@hickorync.gov

Functional Area: Environmental Protection

Mission Statement:

To provide quality and timely waste reduction services to residential and business customers in order to continue to meet North Carolina's Solid Waste Management Act and to reduce Hickory's landfill waste.

2016/2017 Accomplishments:

- Emptied 292,800 recycling rollouts in the Residential Single Stream Program resulting in over 6 million pounds of recyclable material.
- Maintained continued growth in single-stream recycling tonnage; Residential service grew 4%, and Business service grew 18%.
- Collected over 6.5 million pounds of Rear Packer Yard Waste by hand.
- Picked up more than 10,100 cubic yards of Yard Waste with Grapple Truck (nearly 350 truckloads)

2017/2018 Goals and Objectives:

Goal: Continue to educate residents and business about recycling opportunities available to them

Objective: Use media, Snippets, Door hangers and other informational opportunities.

Goal: Improve recycling through enabling the City of Hickory and its residence to recycle and reuse items banned from the landfill. For example, pallets, paint and electronics.

Objective: Use media, Snippets, Door hangers and other informational opportunities.

Goal: Continue to revitalize recycling programs throughout the Hickory School System and private schools within the city.

Objective: Continue to contact and find people onsite at the schools to help drive the recycling efforts and education

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
<i>Work Load</i>				
Tons of curbside recyclables collected	1,873	2,988	3,054	2900
# of curbside collection points	12,100	12,200	12,200	12,200
<i>Efficiency</i>				
Direct cost per ton of curbside recyclables collected (annual)	\$189.00	\$97.00	\$96.00	\$100.00
Direct cost per curbside collection point (annual contract amount)	\$29.49	\$23.64	\$23.81	\$24.50
<i>Effectiveness</i>				
% of residential solid waste diverted by curbside program	17%	32%	31.15%	29%
% of eligible curbside pick-up points participating	84%	67%	64.93%	70%

Recycling Division



The City of Hickory has an integrated waste reduction and recycling program in place. Services are provided curbside for the collection of appliances, yard waste, newspaper, catalogs and magazines as well as glass, plastic, and metal food and drink containers. The City also has two drop off recycling convenience centers for the public to use for the disposal of old corrugated cardboard, newspaper, plastic and all colors of food and drink glass bottling. The City has a permitted Yard Waste Composting Facility where mulch and compost is made from the collected yard waste. State law requires restaurants and bars with ABC permits to recycle. The Recycling Division is part of the City's enterprise Solid Waste Fund.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	546,184	616,790	644,120	4.4%
Operations	1,498,667	1,488,802	1,528,838	2.7%
Capital	-	-	235,000	100.0%
Pro Rata Reimbursement	468,783	478,159	487,723	2.0%
Expenditure Total	2,513,634	2,583,751	2,895,681	12.1%
Per Capita	62	64	71	11.4%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Other Taxes	14,754	13,904	14,477	4.1%
Sales and Services	2,390,384	2,358,814	2,539,001	7.6%
Investment Earnings	13,913	2,781	5,791	108.2%
Miscellaneous	17,308	1,668	1,448	-13.2%
Other Financing Sources	369,121	206,584	334,964	62.1%
Revenue Total	2,805,480	2,583,751	2,895,681	12.1%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	13	13	13	0.0%
Part Time	1	2	1	-50.0%
Total	14	15	14	-6.7%

Additional Information about the Public Services Sanitation Division may be obtained by calling Andrew Ballentine, Solid Waste Manager, at 828-323-7439 or aballentine@hickorync.gov

Functional Area:

Environmental Protection

Mission Statement:

To provide customers with a healthy and a sanitary environment through the collection, disposal and recycling of solid waste in the most productive manner while meeting the requirements of the North Carolina Solid Waste Management Act.

2016/2017 Accomplishments:

- Collected and emptied over 634,400 rollout cart pickups with the Automated Trucks in the Residential Division, resulting in over 14 million pounds of garbage being collected.
- Loaded over 5 million pounds of garbage by hand with Rear Packer trucks.
- Reduced the amount of garbage collected by 620 tons through the continued use of the Single Stream Recycling Program.

2017/2018 Goals and Objectives:

Goal: Continue participation in the UNC School of Government's Performance Measurement Project

Objective: Continue to use this tool as a way to measure departmental performance.

Goal: Operational Efficiency of the Sanitation Division

Objective: Continue to investigate operations to maximize efficiency and minimize cost through the use of technology.

Goal: Continue to educate the public regarding proper disposal methods for solid waste.

Objective: Continue to utilize media, Snippets, Door hangers and other informational opportunities.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Budgeted
<i>Work Load</i>				
Tons collected per 1,000 population	279	233.41	245.94	250
Tons per 1,000 collection points	921	765	806	825
<i>Efficiency</i>				
Direct cost per ton collected (annual)	\$29.42	\$35.63	\$33.20	\$40.00
Direct cost per collection point (annual)	\$6.75	\$6.82	\$6.64	\$8.00
<i>Effectiveness</i>				
Repeated collection points per 1,000 population	0.01%	0.01%	0.01%	0.01%

Sanitation Division

This division manages routine garbage pickup in addition to several other waste removal services. Regular yard waste, such as leaves, grass clippings, and shrubbery trimmings, are collected curbside weekly on the same day as residential garbage pickup. Additional assistance is available for citizens with disabilities. A special pickup is available on Tuesdays and Thursdays for items such as appliances, furniture, yard waste, and bulky tree debris. Curbside leaf collections occur in the fall, and residents are notified in advance through the local media. Due to the City operating leaf vacuum trucks, the citizens do not need to bag their leaves for collection.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	481,678	446,117	551,556	23.6%
Operations	386,766	412,390	395,047	-4.2%
Capital	-	275,000	275,000	0.0%
Expenditure Total	868,444	1,133,507	1,221,603	7.8%
Per Capita	22	28	30	7.1%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Other Taxes	6,107	6,100	6,107	0.1%
Sales and Services	989,358	1,034,826	1,071,130	3.5%
Investment Earnings	5,759	1,220	2,443	100.2%
Miscellaneous	7,163	732	611	-16.5%
Other Financing Sources	152,776	90,629	141,312	55.9%
Revenue Total	1,161,163	1,133,507	1,221,603	7.8%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	12	12	12	0.0%
Total	12	12	12	0.0%

Commercial Bulk Services Division



Additional Information about the Public Services Commercial Bulk Services Division may be obtained by calling Andrew Ballentine, Solid Waste Manager, at 828.323.7439 or aballentine@hickorync.gov

Functional Area:

Environmental Protection

Mission Statement:

To provide customers with a commercial bulk service, which meets their requirements and is done in a cost efficient manner for the city.

2016/2017 Accomplishments:

- Maintained 1,189 dumpster boxes in use by our customers
- Emptied over 59,244 dumpsters not including any extra pickups that were called in above customer's normal service levels.
- Averaged service to 119 dumpsters per driver each day.
- Gained 27 new customers overall in the past year.

2017/2018 Goals and Objectives:

Goal: Increase customer base

- **Objective:** Increase our customer base through advertising and promoting the services available through the City of Hickory.

Goal: Operational efficiency of the Commercial Bulk Division

- **Objective:** To continue to investigate our operation to maximize efficiency and minimize cost through the use of technology.

Goal: Continue to educate the public regarding proper disposal methods for solid waste.

- **Objective:** Continue to utilize media, Snippets, Door hangers and other informational opportunities.

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Actual	2017-2018 Goal
Work Load				
# of boxes serviced per route	120	120	119	120
Efficiency				
Direct cost per ton collected	\$23.18	\$23.73	\$29.87	\$27.50
Effectiveness				
# of new permanent accounts	14	17	27	20

Commercial Bulk Services Division



To better provide solid waste collection to commercial waste generators, the City of Hickory provides dumpster service for a fee. Currently, Hickory services nearly 1,500 dumpsters per week, averaging over 100 boxes per route. The Commercial Bulk Collection Division operates as part of the enterprise Solid Waste Fund, whereby user fees support the operation of the service.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	397,846	450,807	506,426	12.3%
Operations	373,400	424,006	417,737	-1.5%
Capital	25,847	88,000	25,000	-71.6%
Pro Rata Reimbursement	(82,597)	(84,211)	(85,896)	2.0%
Expenditure Total	714,496	878,602	863,267	-1.7%
Per Capita	18	22	21	-2.3%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Other Taxes	4,763	4,728	4,316	-8.7%
Sales and Services	771,615	802,113	756,933	-5.6%
Investment Earnings	4,491	946	1,726	82.5%
Miscellaneous	5,587	567	432	-23.8%
Other Financing Sources	119,152	70,248	99,860	42.2%
Revenue Total	905,608	878,602	863,267	-1.7%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	11	11	11	0.0%
Total	11	11	11	0.0%

Board and Agency Funding

The City Council provides financial support to various organizations that contribute to the quality of life for all City residents, contribute to the City's revenue base, or provide a necessary service that the City itself does not currently provide. To qualify for this type of funding, an organization must generally: a) be non-profit with a policy of non-discrimination, and; b) submit multi-year plans, audited financial records and a Board of Directors roster.

Special Appropriations by Functional Area	2014-2015 Actual	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Environmental Protection					
Catawba County EDC	37,480	37,371	37,994	38,754	2%
Habitat for Humanity	2,042	5,145	19,088	5,440	-72%
Western Piedmont Council of Governments	5,874	5,908	5,920	6,096	3%
Total	45,396	48,424	63,002	50,290	-20%
Transportation					
Western Piedmont Regional Transit Authority	155,702	155,702	213,062	219,542	3%
Total	155,702	155,702	213,062	219,542	3%

Enterprise Fund Debt Service



Enterprise Fund Debt	2014-2015 Actual	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Water and Sewer Fund					
NC Revolving Loan					
Cripple Creek	40,057	40,057	40,058	40,058	0%
Henry Fork Plant	710,000	710,000	0	0	0%
Interest	510,332	404,236	368,900	368,900	0%
Geitner Basin	0	0	0	110,000	100%
Central Business District Sewer	0	0	0	60,000	100%
Northeast Plant	875,000	875,000	875,000	875,000	0%
Subtotal	2,135,389	2,029,293	1,283,958	1,453,958	13%
Bonded Debt					
1994/2004 Water/Sewer Series	0	0	0	0	0%
1997 Water Bond Refunding	0	0	0	0	0%
Interest	0	0	0	0	0%
Subtotal	0	0	0	0	0%
Intergovernmental Agreements					
Catawba County Contracts	8,394	8,394	8,395	8,395	0%
Interest	0	0	0	0	0%
Subtotal	8,394	8,394	8,395	8,395	0%
Installment Purchases					
Area II Annexation- Sewer	199,475	199,475	199,475	199,475	0%
Henry Fork Sewer	475,000	475,000	475,000	475,000	0%
Hickory-Catawba Wastewater Treatment Plant	573,671	586,767	600,163	600,163	0%
Interest	427,597	394,494	360,927	360,927	0%
Maiden Waterline	369,045	369,045	369,045	369,045	0%
Subtotal	2,044,788	2,024,781	2,004,610	2,004,610	0%
Water and Sewer Fund Total	4,188,571	4,062,468	3,296,963	3,466,963	5%

Transfers/Other Financing Uses

Transfers from Enterprise Funds	2014-2015 Actual	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Water and Sewer Fund					
Capital Reserve Fund	740,000	740,000	740,000	740,000	0%
General Capital Project	0	180,950	0	0	0%
General Fund	130,000	0	0	0	0%
Stormwater Fund	132,128	132,946	133,851	135,137	1%
Water and Sewer Capital Projects Fund	47,805	313,712	283,846	0	-100%
Total	1,049,933	1,367,608	1,157,697	875,137	-24%

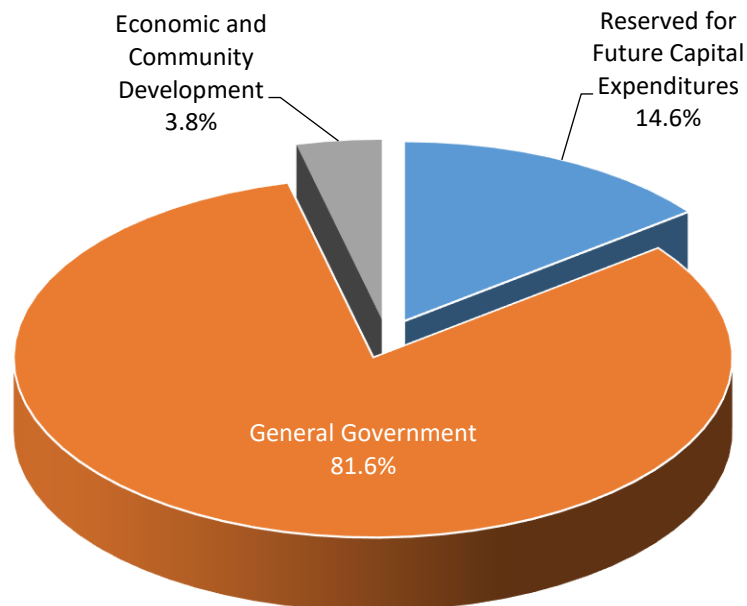
Transfer from Transportation Fund	2014-2015 Actual	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Enterprise Capital Project	0	33,000	0	0	0%
Total	0	33,000	0	0	0%

Transfers from Solid Waste Fund	2014-2015 Actual	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
General Capital Project	0	0	0	0	0%
Stormwater Fund	0	0	0	0	0%
Total	0	0	0	0	0%

Other Funds

The City of Hickory has four funds that serve special purposes. These “Other Funds” include the Fleet Maintenance Fund, the Insurance Fund, the Capital Reserve Fund and the *Community Development Block Grant* (CDBG) Fund. The Fleet Maintenance and Insurance Funds are internal service funds, which are used to consolidate financial activities associated with these programs, providing management with improved information about program results. The Capital Reserve Fund is set up to reserve funds for future capital expenditures. The CDBG Fund, which is technically a grant fund, administers housing funds allocated by the United States Department of Housing and Urban Development. Descriptions of these funds follow, along with the CDBG Budget Ordinance.

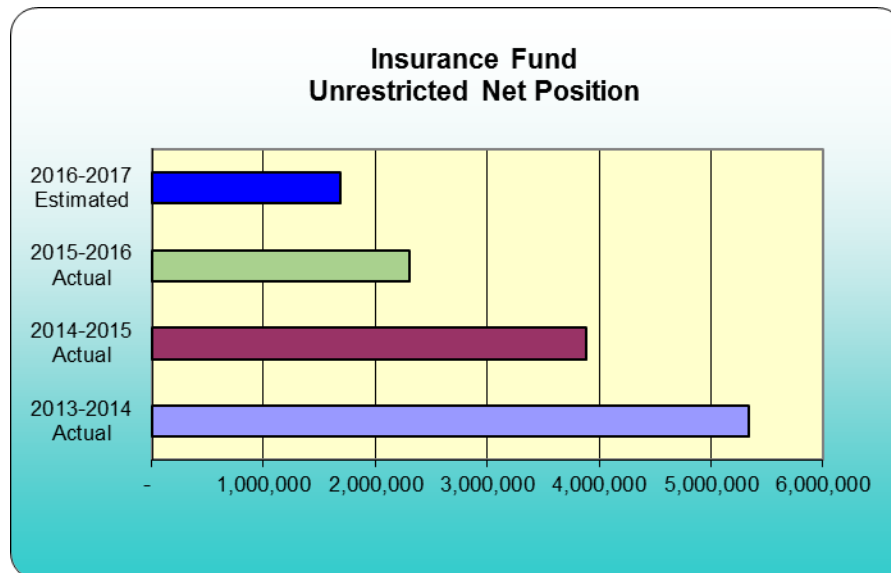
Other Fund Expenditures By Functional Area



Insurance Fund Unrestricted Net Position Projection

The Insurance Fund was added to the budget in FY1999-2000, and accounts for all the insurance and risk management activities of the City. As of June 30, 2016, the unrestricted net position of this fund was \$2,302,633. This amount is expected to decrease by \$617,471 in FY2016-2017. The projected unrestricted net position of this fund to begin FY2017-2018 is \$1,685,162. The fiscal health of this fund is primarily determined by the City's experience with health insurance, property liability, and workers' compensation costs during the year.

	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
Unrestricted Net Position				
Insurance Fund	5,334,380	3,882,502	2,302,633	1,685,162
Dollar Change	181,306	(1,451,878)	(1,579,869)	(617,471)
Percent Change	3.5%	-27.2%	-40.7%	-26.8%

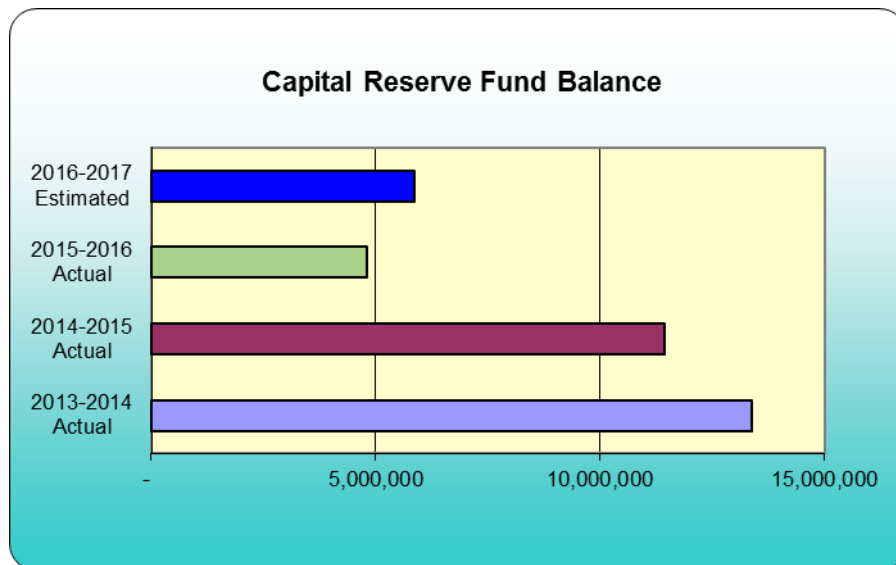


Other Funds

Capital Reserve Fund Balance

The Capital Reserve Fund includes funds set aside for future capital projects and equipment purchases. This fund's dollars are set aside into specific categories including Right-of-Way Acquisition, Future Parking, General Capital Reserve, General Water and Sewer Reserve, Water Plant Reserve, and District Court. The fund balance of the Capital Reserve Fund totaled \$4,810,507 at June 30, 2016. It is expected to increase by \$1,045,482 through FY2016-2017. Going into FY2017-2018, the Capital Reserve Fund Balance is expected to be \$5,855,989.

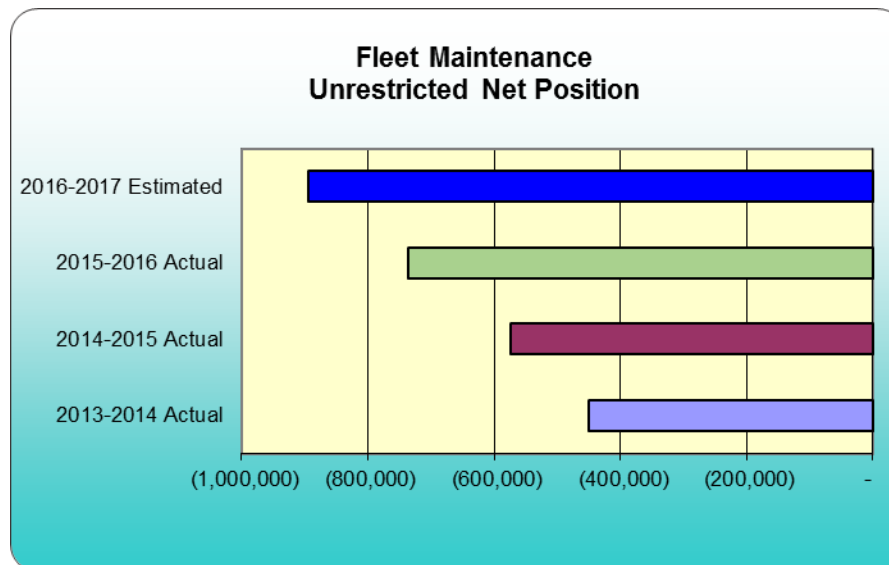
Capital Reserve Fund Balance	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
Capital Reserve	13,381,759	11,437,451	4,810,507	5,855,989
Dollar Change	59,034	(1,944,308)	(6,626,944)	1,045,482
Percent Change	0.4%	-14.5%	-57.9%	21.7%



Fleet Maintenance Fund Unrestricted Net Position (Fund Balance) Projections

The Fleet Maintenance Fund was added to the budget in FY1998-1999. This fund provides vehicle and equipment maintenance services to all City departments and divisions and charges them for those services. As of June 30, 2016 the unrestricted net position of the Fleet Maintenance Fund was (\$735,164). It is expected to decrease during FY2016-2017 by \$158,010. To begin FY2017-2018, the unrestricted net position of the Fleet Maintenance Fund is projected to be (\$893,174).

Unrestricted Net Position	2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated
Fleet Maintenance Fund	(449,732)	(573,653)	(735,164)	(893,174)
Dollar Change	82,070	(123,921)	(161,511)	(158,010)
Percent Change	-15.4%	27.6%	28.2%	21.5%



Fleet Maintenance Division



Additional Information about the Public Services Fleet Maintenance Division may be obtained by calling Brad Abernathy, Fleet Services Manager, at 828.323.7500 or babernathy@hickorync.gov

Functional Area:

General Government

Mission Statement:

To meet the needs of internal and external (vendors) customers with respect and courtesy while conserving the value of the vehicles and equipment in an efficient and cost effective manner.

2016/2017 Accomplishments:

- Implemented a new preventative maintenance scheduling system
- Sold outdated equipment and vehicles on GovDeals, netting over \$190,000
- Installed new oil reels and hoses on PM maintenance area
- Purchased an OTC Encore scan tool for small vehicles and light trucks
- Updated diesel drop tube and spill bucket to meet state regulations

2017/2018 Goals and Objectives:

Goal: Use alternative oils as recommended by manufacturer

- **Objective:** Use synthetic 0/20 and 5/35 on all new vehicles

Goal: Update oil room

- **Objective:** Install bulk tanks in the oil room

Goal: To improve the quality of repairs on garbage trucks

- **Objective:** Send mechanics to New Way Sidewinder Automated Garbage Truck Mechanic Training School

Goal: Organize the tool room to increase efficiency and inventory

- **Objective:** Install new fastener cabinets in the tool room

Performance Measures	2014-2015 Actual	2015-2016 Actual	2016-2017 Estimated	2017-2018 Goal
<i>Work Load</i>				
Total job orders completed	5,208	4,986	4,959	5,000
<i>Efficiency</i>				
Job orders per mechanic	672	832	195	200
<i>Effectiveness</i>				
Unscheduled repairs per mechanic FTE	488	551	142	150
% of repairs that are unscheduled	73%	74%	73%	70%

Fleet Maintenance Division



The Fleet Maintenance Division is responsible for the maintenance of all City of Hickory vehicles. As the City implements cost accounting techniques, measuring the City's vehicle maintenance expenses through this fund will provide better data to manage garage services.

Expenditures by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Personnel	546,428	613,961	642,387	4.6%
Operations	1,480,611	1,765,003	1,765,263	0.0%
Capital	5,211	28,000	25,500	-8.9%
Pro Rata Reimbursement	253,990	259,069	264,250	2.0%
Expenditure Total	2,286,240	2,666,033	2,697,400	1.2%
Per Capita	57	66	66	0.6%

Revenues by Type	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Sales and Services	2,123,767	2,666,033	2,697,400	1.2%
Miscellaneous Revenues	949	-	-	0.0%
Fleet Maintenance Fund	161,524	-	-	0.0%
Revenue Total	2,286,240	2,666,033	2,697,400	1.2%

Authorized Personnel	2015-2016 Actual	2016-2017 Budgeted	2017-2018 Budgeted	Percent Change
Full Time	12	12	12	0.0%
Total	12	12	12	0.0%

Community Development Block Grant



The Community Development Block Grant (CDBG) Fund was created to administer annual block grants from the United States Department of Housing and Urban Development (HUD). Hickory must use the funds for strictly defined HUD purposes, including income generated through loans made with CDBG funds. Specifically, the CDBG-eligible activities that are applicable to the City of Hickory's needs are:

- Acquisition of real property
- Disposition of real property
- Public facilities and improvements such as senior centers, neighborhood facilities, and street improvements
- Clearance and demolition
- Housing rehabilitation assistance
- Economic development
- Funding for neighborhood-based non-profit entities to accomplish neighborhood revitalization

The primary objective of the CDBG program is to develop viable urban communities by providing decent housing, creating a suitable living environment, and by expanding economic opportunities, principally for persons of low and moderate income. Hickory, which has been a CDBG Entitlement City since 1982, has long recognized the need to assist in community development. The City of Hickory completes a Consolidated Plan for Housing and Community Development every five years. This plan was most recently updated in spring 2015 for the 2015 through 2019 program years.

The City of Hickory's Community Development Office, which is part of the Planning and Development Department, is responsible for marketing the program, screening and determining project eligibility (generally based benefit to households earning less than 80% of the area median income).

The City's 2015-2019 Consolidated Plan for Housing and Community Development contains ten primary goals for the five year Consolidated Plan:

1. **Preserve the City's Housing Stock** - Provide support for the rehabilitation and reconstruction of existing housing units to be used for owner and rental occupancy.
2. **Public Infrastructure** - Provide support for necessary improvements to public infrastructure in low to moderate income neighborhoods.
3. **Down Payment Assistance** - Increase homeownership by providing down payment assistance to first time homebuyers.
4. **Provide Services to Persons Living with HIV and AIDS** - Provide funding to ensure persons living with HIV and AIDS are able to access case management services and housing services.
5. **Park Improvements** - Provide support for necessary improvements to parks and neighborhood facilities in low to moderate income neighborhoods.
6. **Homelessness Services and Prevention** - Provide services to support the homelessness as well as services aimed at preventing households from becoming homeless.
7. **Youth Services** - Provide support for at risk youth to increase their chances of succeeding in academics and employment.
8. **Increase Entrepreneurship Opportunities** - Provide support to microenterprises as a means to increase economic opportunities for low and moderate income individuals.
9. **Increase Fair Housing Outreach and Awareness** - Provide support to increase awareness of fair housing rights in the community and affirmatively further fair housing.
10. **Demolish Dilapidated Structures** - Provide funding to demolish dilapidated structures to reduce blight.

Community Development Block Grant



Fund Balance Projection

One of the HUD stipulations for the Community Development Block Grant Fund is that an administering agency cannot profit from the use of grant funds. A fund balance of zero is maintained by grant reimbursements to offset program expenditures less program income.

Contacts

If you have any questions about this program, please call CDBG Manager Dave Leonetti at 828-323-7414.

Community Development Block Grant



CITY OF HICKORY 2017 COMMUNITY DEVELOPMENT ENTITLEMENT BLOCK GRANT PROJECT ORDINANCE

BE IT ORDAINED by the City Council of the City of Hickory that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

SECTION 1. The project authorized is the 2017 Community Development Entitlement Block Grant program.

SECTION 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the Department of Housing and Urban Development, and the budget contained herein.

SECTION 3. The following revenues are anticipated to be available to complete the project:

Restricted Intergovernmental Revenues	\$ 280,251
Miscellaneous	<u>\$ 183,000</u>
	\$ 463,251

SECTION 4. The following amounts are appropriated for the project:

Economic and Community Development	<u>\$ 463,251</u>
	\$ 463,251

SECTION 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and Federal and State regulations.

SECTION 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

SECTION 7. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

SECTION 8. The City Manager (Budget Officer) is directed to include a summary analysis of past and future costs and revenues on this grant project in every budget submission made to this board.

SECTION 9. Copies of this grant project ordinance shall be furnished to the Clerk of the Governing Board, the City Manager (Budget Officer) and the Finance Officer for direction in carrying out this project.



Attest:

Debbie D. Miller
Debbie Miller
City Clerk

Adopted this 20th day of June, 2017

Jeff M. Clin
Mayor



Capital Improvements/Grant Projects



The Capital Improvements/Grant Projects portion of the budget document contains information on the following areas:

5 Year CIP

The 5 Year Capital Improvement Plan (CIP) is the financial plan for the purchase or construction of capital assets. The CIP contains information on the upcoming budget year as well as five planning years beyond the upcoming year.

This section contains information on equipment purchases and construction projects that are listed in the City of Hickory's 5 Year CIP. This section is intended to provide a comprehensive look at all capital purchases and capital projects greater than \$5,000 which are either taking place or scheduled to take place within the City.

As part of the CIP requests, departments are asked to include estimates of how each project may affect future operating budgets. Examples of this include any new personnel, equipment, maintenance, or operating expenses that a capital purchase or project might necessitate.

Some of the purchases or projects listed in this plan will not occur in the year listed, or may never occur. To omit them would not give the reader a full understanding of the capital needs of the City. Decisions on proceeding with the purchases or projects listed in the 5 Year CIP are ultimately made by City Council.

Capital Projects

Capital projects are those projects which either acquire or construct an asset of a long term character such as land, buildings, improvements, machinery or equipment. Capital projects may be accounted for in any fund.

Grant Projects

Grant projects are those projects which are funded either in full or in part by federal or state funds. These funds may be for either capital or operating purposes. Grant projects may be accounted for in any fund.

Disclosure

The purpose of this section is not to describe the different funds, ordinances or accounting requirements for each capital purchase or capital project as much as it is to describe the purchases and projects themselves. Therefore, you will find less continuity related to individual funds than you found earlier in this document. This is by design and is necessitated due to the broad transcending nature of the subject.

Capital Improvements/Grant Projects

5 Year CIP Items	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
GENERAL FUND EQUIPMENT						
Administration						
Computer Replacements/Software	\$ 7,000	\$ 4,800	\$ 7,200			
Communications						
Computer Replacements/Software	\$ 2,000	\$ 1,600				
Human Resources						
Computer Replacements/Software	\$ 1,300	\$ 3,500		\$ 2,600	\$ 1,300	
Budget						
Computer Replacements/Software	\$ 1,800	\$ 1,500				
Risk Management						
Computer Replacements	\$ 1,500				\$ 1,500	
Finance						
Computer Replacements/Software	\$ 4,100	\$ 10,400	\$ 6,500	\$ 9,300	\$ 4,100	\$ 10,400
Information Technology						
APC UPS Batteries	\$ 8,000					
Cisco Phones	\$ 100,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Offsite Data Center Refresh						\$ 200,000
Cognos BI	\$ 20,000					
Computer / Laptop Replacements	\$ 19,200	\$ 6,000			\$ 19,200	
Disaster Recovery Upgrade / Migration Cloud						
Discretionary Funds	\$ 20,000					
Enterprise Core CAL / Intune / System Ctr						
Executime	\$ 60,000					
Firewall Upgrade				\$ 75,000		
iSeries Replacement / Update		\$ 80,000				
Kiosk Employee Access	\$ 10,000					
LaserFiche Additional License	\$ 9,000					
NavilLine Upgrade / GUI Interface						
Projector	\$ 5,000					
Rack Enclosure	\$ 3,000					
Security Risk Assessment	\$ 22,500					
SAN Upgrade			\$ 300,000			
SQL Server Upgrade	\$ 5,000		\$ 10,000			
Switch Replacement / Upgrades	\$ 3,500	\$ 25,000	\$ 150,000	\$ 40,000	\$ 40,000	
Teamviewer	\$ 2,000					
Upgrade Office Suite / G3		\$ 100,000				
UPS Upgrade	\$ 5,000	\$ 100,000	\$ 5,000			
Voice Gateway Upgrade-Phones				\$ 15,000		
Windows Server / Cal Upgrades						
Wireless AP Hardware Refresh	\$ 6,000	\$ 12,000	\$ 15,000			
City Clerk						
Computer Replacements				1400	\$ 2,000	
Engineering						
Computer Replacements		\$ 5,000		\$ 4,000	\$ 2,000	\$ 5,000
Inkjet Plotter / Scanner		\$ 15,000				
Robotic, Data Collector and GPS				\$ 42,500		
Vehicle		\$ 20,000				
Planning and Development						
Computer Replacements		\$ 4,000		\$ 5,000		\$ 4,000
Vehicle Replacement		\$ 25,000				

Capital Improvements/Grant Projects

5 Year CIP Items	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Police Department						
Police Vehicles	\$ 609,000	\$ 596,000	\$ 475,000	\$ 560,000	\$ 560,000	\$ 560,000
Light bars		\$ 16,875	\$ 16,875			
Accessories-New Vehicles		\$ 25,000	\$ 25,000			
Lexan Partitions		\$ 11,250	\$ 11,250			
Radios-Vehicle						
Parking Enforcement Device Hardware	\$ 3,000					
Police Boat		\$ 65,000				
Radars		\$ 21,000	\$ 21,000			
Radios for Officers		\$ 140,000	\$ 140,000			
Radios 800 System-Vehicles		\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000
Radio System Refresh	\$ 575,000	\$ 143,750		\$ 143,750		
Replacement Vehicle		\$ 36,000		\$ 36,000		\$ 36,000
Replacement Walkies						
Terminals and Monitor Repl - Dispatch	\$ 20,000					
SOT Armor Vests						
SOT Night Vision						
Tasers	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Weapons	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Batteries for UPS System		\$ 15,000				
Camera Replacement		\$ 6,000				
Computer / Laptop Replacements	\$ 18,000	\$ 72,200	\$ 65,000	\$ 75,000	\$ 65,000	\$ 65,000
Migrate to New Service for P2C						
Server Replacements				\$ 150,000		
Slide Gate Operator	\$ 11,211					
Software Maintenance				\$ 8,000		
Switch Stack Replacement						
Furniture		\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000
Offsite Backup Server		\$ 50,000				
LiveScan		\$ 100,000				
Fire Department						
Apparatus Replacement Engine 1	\$ 480,000					
Equipment for Engine 1						
Apparatus Replacement Engine 2						\$ 625,000
Equipment for Engine 2						\$ 150,000
Apparatus Replacement Ladder 3						
Equipment for Ladder 3						
Apparatus Replacement Engine 5			\$ 500,000	\$ 610,000		
Equipment Replacement for Engine 5			\$ 125,000	\$ 150,000		
Apparatus Replacement Engine 6					\$ 620,000	
Equipment for Engine 6					\$ 150,000	
Apparatus Replacement Rescue 1		\$ 850,000				
Equipment for Rescue 1		\$ 200,000				
Apparatus Replacement Tanker 6			\$ 350,000	\$ 350,000		
Equipment for Tanker 6			\$ 100,000	\$ 100,000		
Apparatus Replacement Tanker 7						\$ 375,000
Equipment for Tanker 7						\$ 100,000
Appliances	\$ 8,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Base Radio Upgrades	\$ 25,000				\$ 50,000	
Building Maintenance Projects						
Computer Replacements	\$ 25,000	\$ 75,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Furniture Upgrades	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Gas Detectors for Apparatus (10)	\$ 12,650					
Paving Project FS #3						
Paving Project FS #6						
Personal Protective Turn-out Gear						\$ 500,000
Replace Bay Doors FS #2, FS #3, FS #5	\$ 30,000					
SCBA Breathing Equipment / Replacements	\$ 35,000	\$ 40,000	\$ 30,000	\$ 40,000	\$ 45,000	\$ 45,000
Specialized Rescue Equipment					\$ 75,000	
Video Conferencing Equipment	\$ 90,000					
Vehicle Replacements	\$ 70,000	\$ 80,000	\$ 90,000	\$ 80,000	\$ 80,000	\$ 80,000
VHF Repeater Replacements						
Viper Channel Purchase						
MAKO Air System Station 1		\$ 80,000				
Mobile Portable Radio Upgrades		\$ 35,000		\$ 35,000	\$ 35,000	\$ 35,000

Capital Improvements/Grant Projects



5 Year CIP Items	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Rural Fire Department						
SCBA Breathing Equipment/Upgrade	\$ 20,000					
Building Services						
Ditch Witch						\$ 35,000
Hydraulic Repair to Bucket Trucks	\$ 25,000					
Portable Power Scissor Lift						
Pole/Auger Truck					\$ 60,000	
Pole/Post Puller for Auger/Pole Truck			\$ 5,000			
Service Truck	\$ 30,000			\$ 35,000		
Bucket Truck		\$ 60,000				
Computer Replacements	\$ 3,000	\$ 1,400		\$ 1,400	\$ 1,400	
Central Services						
Computer / Laptop Replacements	\$ 3,000	\$ 3,000		\$ 3,000	\$ 3,000	\$ 1,500
Security Cameras						
Truck Replacement			\$ 20,000			
Traffic						
Computer Replacement / Software / Monitors	\$ 2,000	\$ 10,000	\$ 7,000	\$ 7,000	\$ 10,000	\$ 2,500
Paint Truck					\$ 25,000	
Plotter	\$ 10,000					
Traffic Signal Equipment / Software	\$ 5,000	\$ 4,000				
Traffic Signal Parts / Counters		\$ 20,000				
Traffic Signal Video Equipment						
Traffic Signal Video Imaging Detection / Cameras	\$ 20,000		\$ 20,000	\$ 20,000	\$ 20,000	
Trailer				\$ 5,000		
Truck Replacement						\$ 35,000
Upgrade Synchro						\$ 2,500
Street						
4x4 SUV / Pickup						
Backhoe Lader Combo						
Cargo Emergency Trailer				\$ 20,000		
Crew Cab 4x4 Replacements		\$ 45,000	\$ 35,000	\$ 35,000		
Dump Truck - Midsized					\$ 90,000	
Lowboy Trailer					\$ 100,000	
Miscellaneous Equipment		\$ 35,000	\$ 45,000			
Motor Grader	\$ 200,000		\$ 220,000			
Pro Patch/Flat Bed Truck Replacement		\$ 160,000				
Rubber Tire Loader			\$ 140,000			\$ 140,000
Tandem Axle Dump Truck		\$ 135,000		\$ 130,000	\$ 130,000	
Track Hoe					\$ 300,000	
Track Loader						\$ 240,000
Salt spreader	\$ 12,000					
Solar Powered Safety Arrowboard	\$ 20,000					
Straw Blower				\$ 15,000		
Vibratory Bomag Roller					\$ 60,000	
Street Sweeper				\$ 250,000		\$ 245,000
Tractor - Midsized (Misc.)		\$ 50,000	\$ 40,000			
Tractor / Mower Combo	\$ 80,000					
Landscape						
Mowers / Snowplows		\$ 30,000	\$ 20,000	\$ 20,000		
1 Ton Dump Truck		\$ 48,000	\$ 31,000		\$ 48,000	
F-250 Cab Truck	\$ 28,000		\$ 26,000			
Crew Cab Trucks	\$ 28,000			\$ 31,000		
Bobcat Skid Steer					\$ 50,000	
Computer Replacement	\$ 2,800	3000				
Tractors						
Truck with Auger						\$ 60,000
Pickup Trucks						\$ 75,000
Trailer with Trimmer Rail		\$ 5,300		\$ 3,000		

Capital Improvements/Grant Projects



5 Year CIP Items	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Parks and Recreation						
ADA Evaluation and Transition Plan			\$ 50,000		\$ 52,500	
Baseball Scoreboard Replacements					\$ 18,000	\$ 4,725
Basketball Scoreboard Replacements		\$ 9,000	\$ 4,500	\$ 9,000		
Ceramic Kiln Replacement						\$ 3,200
Ceramic Slip Machine Replacement	\$ 1,700					
Computer Replacements	\$ 5,200	\$ 5,200	\$ 3,900	\$ 7,800	\$ 5,200	\$ 5,200
Defibrillator						
Fitness Center Equip. Replacement	\$ 27,500	\$ 9,917	\$ 24,600	\$ 54,582	\$ 36,333	\$ 32,586
Playground Equipment Replacement-Jaycee Park						\$ 38,630
Playground Equipment Replacement - Hilton Park	\$ 12,900			\$ 52,991		
Playground Equipment Replacement - Kiwanis Park					\$ 57,820	
Playground Equipment Replacement - Winkler Park		\$ 101,200	\$ 91,800			
Skate park Component Replacement		\$ 68,400				
Parks and Recreation Maint.						
Athletic Field Prep Machine Replacement				\$ 25,000		
Computer Replacement	\$ 2,600				\$ 2,600	
Curbing Machine						
Field Sprayer				\$ 38,000		
Leaf Vacuums			\$ 7,000			
Mini-Excavator			\$ 57,000			
Mower Replacements						\$ 18,186
Tractor Replacement	\$ 25,300					
Tiller						\$ 1,200
Truck Replacements	\$ 36,000	\$ 36,000		\$ 36,000		\$ 36,000
Van Replacement	\$ 36,000	\$ 36,000	\$ 36,000			
Vehicle Replacement Parts					\$ 72,000	
Water Tank Pumper	\$ 9,200					
Library						
Computer Replacements	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
Furniture	\$ 5,000	\$ 12,000				
Software / RFID Equipment						
GF Equipment Total	\$ 3,057,961	\$ 4,114,292	\$ 3,506,625	\$ 3,516,323	\$ 3,071,953	\$ 3,921,627
GENERAL FUND CONSTRUCTION						
Police Department						
Architect & Engineer Plans						
Boiler Gas Modulating Units						
Electrical and Plumbing						
Flooring	\$ 50,000		\$ 50,000	\$ 50,000		
HVAC Replacement				\$ 6,000		
Painting Int/Ext Building	\$ 5,000	\$ 40,000	\$ 50,000	\$ 41,000	\$ 6,000	
Phone Cables Removed						
Police Annex Fence						
Renovation of Police Annex Facility	\$ 100,000					
Scenario Based Training Facility			\$ 450,000			
Roof Replacement		\$ 3,000				
Fire Department						
COH Public Safety Training Center Property						
FS #1 Property Relocation						\$ 300,000
FS #1 Roof/Gutter/Stucco Façade Repair	\$ 110,000					
FS #2 Property Relocation - Springs Rd						
FS #2 New Construction			\$ 2,200,000		\$ 2,750,000	
FS #6 Demolish and Rebuild		\$ 2,000,000		\$ 2,750,000		
Maintenance and Upkeep Fire Stations		\$ 30,000		\$ 30,000		\$ 30,000
					\$ 30,000	
Central Services						
HVAC-Rooftop		\$ 4,500				
Street						
Sidewalk Construction	\$ 170,000	\$ 170,000	\$ 170,000		\$ 170,000	\$ 170,000

Capital Improvements/Grant Projects



5 Year CIP Items	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY21-22
Parks and Recreation						
Bruce Meisner Park		\$ 2,169,822			\$ 1,541,200	
Cliff Teague Park Urban Trail and Greenway						
Kiwanis Park Urban Trail / Greenway Loop						
LRU/Stanford Park Greenway						
Parks and Recreation Comprehensive Master Plan						
Sandy Pines Park Master Site Plan						
Stanford Park Urban Trail/Greenway Loop						
Parks and Recreation Maint.						
Access Control System Upgrade - Highland Rec.						
Ballfield Fence Repl.-Civitan Park	\$ 34,000					
Ballfield Fence Repl. - West Hickory				\$ 52,800		
Ballfield Fence Repl. - Hickory Optimist		\$ 35,700				
Ballfield Fence Repl. - Kiwanis Park			\$ 42,500		\$ 68,000	
Ballfields #3, #4 Replacement - Kiwanis Park						
Ballfield Fence Replacement Taft Broome Park						\$ 34,000
Boy Scout Cabin Restrooms						\$ 72,000
Concession/Restroom Replacement - Kiwanis Park	\$ 129,500					
Demolition of - Westmont Recreation Center					\$ 38,000	
Field #1 Lighting Sys Repl. - Kiwanis Park			\$ 175,000			
Field #1 Lighting Sys Repl. - Neill Clark		\$ 181,000				
Fitness Center Lighting System - Highland Rec.						
HVAC System Repl. - Neill Clark						
HVAC System Repl. - Jaycee Park Bldg.		\$ 17,350				
HVAC System Repl. - Recreation Maintenance					\$ 6,000	
HVAC System Repl. - Westmont				\$ 4,200		
HVAC System Repl. - Winkler Mus/Winkler Act Ctr			\$ 20,000			
Lighting of Soccer Fields - Henry Fork Phase II				\$ 385,000		\$ 192,500
Parking Lot Repaving - Fairbrook Opt.						
Parking Lot Repaving - Henry Fork River Reg. Park			\$ 65,000			
Parking Lot Repaving - Kiwanis Park		\$ 65,000				
Parking Lot Repaving - Stanford Park				\$ 68,250		
Pedestrian Bridge Replacement - Hilton Park				\$ 94,500		
Picnic Shelter #1 Replacement - Hilton Park					\$ 85,000	
Public Address System Henry Fork		\$ 27,500				
Restroom Facility Replacement - Fairbrook						
Restroom Facility Replacement - Kiwanis Park				\$ 65,100		
Resurface Tennis Courts - Westmont						
Roof Replacement - Neill Clark Main						
Security Alarm System - Neill Clark Main		\$ 11,700				
Tennis Court Lighting						\$ 175,000
Tennis Court Reconstruction - Cliff Teague Park					\$ 19,000	
Trail Resurfacing - Cliff Teague Park	\$ 33,600					
Trail Resurfacing - Henry Fork	\$ 50,400					
LP Frans Stadium						
Backstop Netting Replacement						
Dugout to Dugout Netting with Pole Removal				\$ 7,700		
Park Identification Signs			\$ 9,000			
Parking Lot Repaving - Winkler Park					\$ 91,000	
Playground Equipment Replacement		\$ 26,250				
Scoreboard/Videoboard Replacement	\$ 313,500					
Library						
Architectural Design - Ridgeview		\$ 40,000				
Chiller	\$ 85,000					
HVAC System Update	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
Patrick Beaver Renovations / Fire Alarm Sys						
Ridgeview Renovations / Expansion / Roof			\$ 500,000			
Update Public Restrooms		\$ 60,000				
GF Construction Total	\$ 1,101,000	\$ 4,841,822	\$ 3,751,500	\$ 3,574,550	\$ 4,824,200	\$ 973,500
GENERAL FUND TOTAL	\$ 4,158,961	\$ 8,956,114	\$ 7,258,125	\$ 7,090,873	\$ 7,896,153	\$ 4,895,127

Capital Improvements/Grant Projects



5 Year CIP Items	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY21-22
FLEET FUND EQUIPMENT						
Fleet Maintenance						
Computer Replacement	\$ 1,500	\$ 1,500		\$ 1,500	\$ 1,500	\$ 1,500
Fluids Management System			\$ 10,000			
Furnace - Heating System		\$ 12,000			\$ 17,000	
Gasoline and Diesel Fuel Storage Tanks						
Heavy Truck Lift / Other Equipment				\$ 33,000		\$ 60,000
Roof Maintenance				\$ 7,500		
Garage Door		\$ 10,000				
Service Truck		\$ 35,000	\$ 30,000			
Specialized Equipment	\$ 24,000					
Fleet Fund Equipment Total	\$ 25,500	\$ 58,500	\$ 40,000	\$ 42,000	\$ 18,500	\$ 61,500
FLEET FUND TOTAL	\$ 25,500	\$ 58,500	\$ 40,000	\$ 42,000	\$ 18,500	\$ 61,500
WATER AND SEWER FUND EQUIPMENT						
Administration						
Base Unit Radio Mount in Vehicle		\$ 3,200		\$ 3,200	\$ 3,200	
Computer Replacements		\$ 4,000		\$ 4,000	\$ 6,000	
Non Asset Inventory	\$ 18,428					
Radio Read Meters	\$ 102,600	\$ 102,600	\$ 102,600	\$ 102,600	\$ 102,600	
Truck	\$ 20,000	\$ 18,000	\$ 18,000	\$ 20,000	\$ 20,000	
Trailblazer						
Collection System						
1/2 Ton 4x4 Pickup Truck						
Backhoe						
Computers	\$ 2,000					
Dump Truck				\$ 100,000		
Full-size 4x4 Truck		\$ 30,000				
Jett Trailer		\$ 60,000	\$ 75,000			
Portable Welder				\$ 5,000		
Pumps for Pump Station	\$ 35,000					
Service Truck with Boom		\$ 100,000				
Service Trucks	\$ 29,000	\$ 40,000				
Sewer Camera System						
Skid Steer w/ Grinder	\$ 120,000				\$ 50,000	
Tractor w/Front End Loader		\$ 65,000				
Unanticipated Sewer Line Installation	\$ 7,000	\$ 7,000		\$ 7,000		
Utility Trailer	\$ 1,300					
Vac-All Jett Vac Truck		\$ 400,000				
Henry Fork Plant						
Aeration Basin Mixer	\$ 25,000	\$ 30,000			\$ 36,000	
Aqua Guard Barscreen						
Blower				\$ 80,000		
EQ Basin Aerator Motors		\$ 12,000				
EZ GO Electric Powered Cart		\$ 10,000				
Master Plan						
Mixed Liquor Return Pump		\$ 76,485				
Mower					\$ 10,000	
Other Equipment						
Primary Sludge Pump	\$ 30,000					
Raw Sewage Pump	\$ 75,000	\$ 75,000				
Replacement Pumps (Various)		\$ 30,000	\$ 69,000	\$ 40,000		
Scada System PLC's Upgrade						
Specialized Equipment	\$ 25,000					
Tanker Truck		\$ 128,000				
Truck Replacement			\$ 25,000		\$ 25,000	

Capital Improvements/Grant Projects



5 Year CIP Items	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Northeast Plant						
Computer Replacement	\$ 2,000					
DO Meter	\$ 4,000	\$ 5,000				
Influent Refrig. Sampler		\$ 7,000				
Golf Cart	\$ 7,000					
Master Plan						
Mower / Lawn Tractor					\$ 10,000	
Oxidation Ditch Mixer				\$ 20,000		
Pickup Truck 4x4				\$ 20,000		
Replacement Pumps (Various)		\$ 16,000	\$ 36,000	\$ 7,000	\$ 53,000	
Sludge Road Tractor			\$ 100,000			
Sludge Tanker		\$ 60,000				
Specialized Equipment	\$ 75,868	\$ 8,000				
Splitter 2 Ph Meter		\$ 3,000		\$ 3,000		
Water Treatment Plant						
Computer Replacements	\$ 2,000					
Distribution Sampling Stations	\$ 10,000					
Filter Accuators		\$ 40,000	\$ 40,000			
Finish Water Clearwell Top		\$ 90,000				
Flash Mixer			\$ 20,000			
Flocculators	\$ 20,000	\$ 20,000	\$ 20,000			
Flow Metering Raw Water						
Improvements	\$ 340,000					
Lab PH Meter	\$ 5,000					
Master Plan						
Old Finish Clearwell Top		\$ 80,000				
Replacement Pumps (Various)	\$ 59,000	\$ 72,000	\$ 72,000			
Scada Upgrade		\$ 50,000				
Sodium Hypochlorite Generator	\$ 1,400,000					
Specialized Equipment				\$ 230,000	\$ 198,000	
Tube Settlers		\$ 36,000	\$ 36,000			
Vehicle Replacement	\$ 30,000					
Pretreatment & Lab						
Computer Replacement				\$ 4,000		
Dishwasher				\$ 850		
Cargo Van		\$ 30,000				
Meters/Samplers/Storage Tank		\$ 29,800		\$ 2,800		
Non Asset Inventory	\$ 12,900					
Specialized Equipment	\$ 15,000	\$ 20,000	\$ 11,000	\$ 60,000	\$ 17,300	
Truck	\$ 25,000					
Hickory Catawba Wastewater						
Replacement Pumps (Various)						
Shed for Equipment						
Service Truck 4WD	\$ 25,000	\$ 25,000				
Sludge Pump Loading Rebuild						
Specialized Equipment	\$ 7,000			\$ 28,000	\$ 20,000	
Distribution						
Air Compressor			\$ 20,000			
Backhoe		\$ 70,000	\$ 73,000		\$ 80,000	
Computer Replacement					\$ 4,000	
Dump Truck Replacement						
Flusher Truck			\$ 55,000			
Mini Excavator w/ Trailer						
Pickup Truck 4x4		\$ 57,000			\$ 30,000	
Piercing Tools, Tamps, Miscellaneous	\$ 11,000	\$ 13,000	\$ 18,000			
Pipe Saw, Metal Detectors, Misc.	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 8,000	
Pumps, Locators, Pipe Saws						
Service Truck Replacements / Vehicle SUV 4x4	\$ 30,000	\$ 96,000	\$ 96,000		\$ 47,000	
Shed for Equipment						
Unanticipated Water Line Repairs	\$ 7,000	\$ 7,000	\$ 7,000		\$ 7,000	
W & S Equipment Total	\$ 2,588,096	\$ 2,036,085	\$ 903,600	\$ 747,450	\$ 727,100	\$ -

Capital Improvements/Grant Projects



5 Year CIP Items	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
12th St Dr NW to Main Ave NW Waterline Rehab			\$ 525,000			
1st St NE & 2nd St NE (behind FRMC)						
Brookford Replacement			\$ 250,000			
Comprehensive System Analysis						
Henry Fork Outfall Repl Engineering SSO Program				\$ 1,250,000		
Kenworth Water System Rehab						
Main Ave. NW to 1200 Block		\$ 1,035,000	\$ 500,000			
Moose Club - Complete Rebuild						
Moose Club - Evaluate Alternate Route						
Old Lenoir Rd Area Repl/Rehab Waterline				\$ 812,500		
Spring Haven Subdivision - Water Main					\$ 262,500	
SSES Evaluation - Hospital Area						
SSES Evaluation - Shuford Pump Station						
SSES Evaluation - Hwy 127N						
Swr System Eval (Repl/Rehab) Downtown to Southgate		\$ 220,000				
Ward Hosiery - SSO Program				\$ 300,000		
Sewer Lines	\$ 280,000					
Water Lines	\$ 750,000					
W & S Construction Total	\$ 1,030,000	\$ 1,255,000	\$ 1,275,000	\$ 2,362,500	\$ 262,500	\$ -
WATER AND SEWER FUND TOTAL	\$ 3,618,096	\$ 3,291,085	\$ 2,178,600	\$ 3,109,950	\$ 989,600	\$ -
SLUDGE FUND EQUIPMENT						
Housing and Chains for Conveyors	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
SLUDGE FUND TOTAL	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
TRANSPORTATION FUND EQUIPMENT						
Airport						
Computer Replacements	\$ 2,600	\$ 2,500		\$ 2,500	\$ 5,000	
Equipment		\$ 7,499				
Lobby Couches		\$ 12,000				
Replace Tractor and Bushhog		\$ 70,000				
Specialized Equipment	\$ 10,000					
FBO						
Computer Replacements				\$ 2,500	\$ 6,000	\$ 2,500
Transportation Equipment Total	\$ 12,600	\$ 91,999	\$ -	\$ 2,500	\$ 5,000	\$ 2,500
TRANSPORTATION CONSTRUCTION						
Airport						
HVAC Main Terminal						\$ 45,000
Paint Interior Main Terminal		\$ 30,000				
Precision Approach Path Indicators (PAPI) Repl.						
Repair Fire Station Roof and Paint	\$ 30,000	\$ 30,000				
Roof Main Terminal						\$ 90,000
Renovate Main Terminal Café					\$ 100,000	
Restrooms Lobby Main Terminal				\$ 150,000		
FBO						
Construct New Hangar			\$ 1,500,000			
FBO Building Repairs	\$ 10,000	\$ 12,000	\$ 22,000	\$ 65,000		
Hangar Repairs	\$ 50,000	\$ 50,000	\$ 60,000	\$ 50,000	\$ 50,000	\$ 50,000
Jet A and 100LL Fuel Trucks					\$ 250,000	
New TUG		\$ 30,000				
Transportation Construction Total	\$ 90,000	\$ 152,000	\$ 1,582,000	\$ 265,000	\$ 400,000	\$ 185,000
TRANSPORTATION FUND TOTAL	\$ 102,600	\$ 243,999	\$ 1,582,000	\$ 267,500	\$ 405,000	\$ 187,500

Capital Improvements/Grant Projects



5 Year CIP Items	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
SOLID WASTE EQUIPMENT						
Recycling						
Boom Truck				\$ 160,000		
Front Loader / Automated Truck					\$ 275,000	
Rear Packer	\$ 235,000	\$ 235,000				\$ 235,000
Residential Sanitation						
Automated Truck	\$ 275,000	\$ 275,000		\$ 275,000		\$ 275,000
Rear Packer			\$ 235,000			
Commercial Bulk Services						
Compactor Trailer				\$ 65,000		
Dumpster Boxes / Kits	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Front Loader			\$ 245,000		\$ 245,000	
Road Tractor			\$ 125,000			
Vehicle Replacement				\$ 25,000		
Transfer Station Trailer						
Solid Waste Equipment Total	\$ 535,000	\$ 535,000	\$ 630,000	\$ 550,000	\$ 545,000	\$ 535,000
SOLID WASTE FUND TOTAL	\$ 535,000	\$ 535,000	\$ 630,000	\$ 550,000	\$ 545,000	\$ 535,000
TOTAL FUNDS	\$ 8,490,157	\$ 13,134,698	\$ 11,738,725	\$ 11,110,323	\$ 9,904,253	\$ 5,729,127

Capital Improvements/Grant Projects



East Hickory Redevelopment Plan Implementation

Project # 501001

Total Project Cost: \$1,205,800

Project Start Date: July 2001

Project End Date: June 2017

Project Manager: Dave Leonetti

Revenue	Budgeted	Project to Date	Remaining
Miscellaneous	\$ 651,400.00	\$ 108,422.42	\$ 542,977.58
General Fund	\$ 554,400.00	\$ 554,400.00	\$ -
Interest Earned	\$ -	\$ 11,155.66	\$ -
Total	\$ 1,205,800.00	\$ 673,978.08	\$ 542,977.58

Expenditure	Budgeted	Project to Date	Remaining
Construction	\$ 21,605.00	\$ 21,604.83	\$ 0.17
Relocation	\$ 53,241.00	\$ -	\$ 53,241.00
Land	\$ 1,022,195.00	\$ 608,833.37	\$ 413,361.63
Infrastructure	\$ 106,000.00	\$ -	\$ 106,000.00
Miscellaneous	\$ 2,759.00	\$ 1,537.11	\$ 1,221.89
Total	\$ 1,205,800.00	\$ 631,975.31	\$ 573,824.69

Description:

This capital project provides the funding for implementation of the East Hickory Redevelopment Plan and the creation of the East Hickory rehabilitation, conservation and reconditioning area. Funds will be used to acquire land, relocate residents, and pay for the sidewalk installation, traffic signal construction and other improvements in the East Hickory Redevelopment Area. The City sold four lots on F Avenue SE in FY 15-16. The developer's plan is to construct housing that will be targeted towards Lenoir Rhyne University Students. The first house is currently under construction. All residential property has been purchased and owners relocated. A proposed purchaser of property would assist with infrastructure and the City with upgrading existing streets. The property at the southeast corner of Lenoir Rhyne Boulevard and Tate Boulevard has been purchased and sold to a developer who is currently marketing the property for retail and office use. The City's participation in any redevelopment project will depend on the level of private investment and the proposed use of the property.

Impact on the Operating Budget:

This project will have little effect on the operating budget except for the probability of increased revenues through increased property values in the area. In addition over half of the City's investment in this area is expected to be recouped through the sale of acquired property.

Capital Improvements/Grant Projects



Brownfields Area Wide Planning Grant

Project # G5010E

Total Project Cost: \$200,000

Project Start Date: August 2015

Project End Date: July 2017

Project Manager: Brian Frazier

Revenue	Budgeted	Project to Date	Remaining
Restricted Governmental	\$ 200,000	\$ 200,000.00	\$ -
Interest Earned	\$ -	\$ -	\$ -
Total	\$ 200,000	\$ 200,000.00	\$ -

Expenditure	Budgeted	Project to Date	Remaining
Salaries	\$ 8,478	\$ 8,479.14	\$ (1.14)
Seminar Registration Fees	\$ 500	\$ 500.00	\$ -
Other Professional Services	\$ 188,000	\$ 188,000.00	\$ -
Department Supplies	\$ 1,499	\$ 1,499.00	\$ -
Training/Meals/Lodging	\$ 825	\$ 824.46	\$ 0.54
Travel	\$ 698	\$ 697.40	\$ 0.60
Total	\$ 200,000	\$ 200,000	\$ 0

Description:

This \$200,000 Environmental Protection Agency (EPA) Area Wide Planning Grant is for a planning study, market analysis, data collection, and citizen engagement for the future redevelopment of the Southside area.

Impact on the Operating Budget:

The City will receive some reimbursement for administrative expenses.

Capital Improvements/Grant Projects



Geitner Basin Outfall Replacement Project

Project # 803303

Total Project Cost: \$3,867,715

Project Start Date: January 2017

Project End Date: January 2018

Project Manager: Kevin Greer, PE

Revenue	Budgeted	Project to Date	Remaining
Proceeds from Financing	\$ 3,519,475.00	\$ -	\$ 3,519,475.00
Water & Sewer Fund	\$ 286,790.00	\$ 286,790.00	\$ -
Water & Sewer Capital Reserve	\$ 61,450.00	\$ 61,450.00	\$ -
Interest Earned		\$ 388.59	\$ (388.59)
Total	\$ 3,867,715	\$ 348,628.59	\$ 3,519,086.41

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 532,700	\$ 172,818.86	\$ 359,881.14
Construction	\$ 2,949,625	\$ 225,375.84	\$ 2,724,249.16
Land	\$ 20,000	\$ -	\$ 20,000.00
Contingency	\$ 230,000	\$ -	\$ 230,000.00
Miscellaneous	\$ 135,390	\$ 71,805.48	\$ 63,584.52
Total	\$ 3,867,715	\$ 470,000	\$ 3,397,715

Description:

The Geitner Basin project is intended to renovate the sanitary sewer infrastructure in the area bounded by Hwy 70, US 321, 4th St Dr SW and 2nd Ave SW, as well as replace a large diameter outfall that transports sewer collected from this area. The project consists of a series of identified corrective actions that need to be implemented from full replacement of lines to Manhole rehabilitation to point repairs, and service line replacements. This area consists of infrastructure nearing the end of its useful life as originally installed and is prone to Inflow and Infiltration. The Outfall replacement is complete replacement of approximately 4,000-lft of 16-inch concrete pipe that has severely deteriorated and approximately 4,000-lft of 8-inch sewer to serve the 4th St Dr Extension area.

Impact on the Operating Budget:

Completion of this project should result in fewer calls for service to this area during rain events or inclement conditions. The project is being completed with a State Revolving Loan of \$3,519,475.00 with a 20-year payback term at 1.66%.

Capital Improvements/Grant Projects



2012 NE Sewer Grant Project – Random Woods

Project # 802501

Total Project Cost: \$2,946,043

Project Start Date: November 2016

Project End Date: June 2017

Project Manager: Kevin Greer, PE

Revenue	Budgeted	Project to Date	Remaining
Miscellaneous	\$ 2,946,043	\$ 1,590,672.74	\$ 1,355,370.26
Total	\$ 2,946,043	\$ 1,590,672.74	\$ 1,355,370.26

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 248,627	\$ 225,419.05	\$ 23,207.95
Construction	\$ 2,448,194	\$ 2,087,476.13	\$ 360,717.87
Land	\$ 7,850	\$ 7,752.38	\$ 97.62
Contingency	\$ 121,372	\$ -	\$ 121,372.00
Miscellaneous	\$ 120,000	\$ 45,261.22	\$ 74,738.78
Total	\$ 2,946,043	\$ 2,365,909	\$ 580,134

Description:

The Public Utilities Department and Catawba County Environmental Health identified three areas of concern with existing subdivisions that are approximately 30 to 40 years old and are principally built out. This project will have a potential to serve approximately 226 homes and eliminate the potential public health hazard of septic system failures impacting surface waters. This project includes construction of approximately 25,100 linear feet of 8-inch PVC sanitary sewer lines. The three subdivisions are within the existing City of Hickory ETJ and the City of Hickory does have existing sanitary sewer lines available for connection by the proposed subdivision sanitary sewer lines.

Impact on future operating budgets:

The project is funded with Grant monies through NCDEQ, therefore Capital Cost are minimized. The cost of operation will be consistent with other portions of the Collection System and will not create a financial burden to the System.

Capital Improvements/Grant Projects

Central Business District Infrastructure Rehabilitation Project

Project # 803302

Total Project Cost: \$ 5,282,196

Project Start Date: December 2016

Project End Date: December 2017

Project Manager: Kevin Greer, PE



Revenue	Budgeted	Project to Date	Remaining
Loan Proceeds	\$ 1,364,100	\$ -	\$ 1,364,100.00
Water & Sewer Fund	\$ 1,878,496	\$ 1,878,496.00	\$ -
Water & Sewer Capital Reserve	\$ 2,039,600	\$ 2,039,600.00	\$ -
Interest Earned	\$ -	\$ 2,464.27	\$ (2,464.27)
Total	\$ 5,282,196	\$ 3,920,560.27	\$ 1,364,100.00

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 285,000	\$ 198,826.35	\$ 86,173.65
Construction	\$ 4,674,274	\$ 1,911,308.10	\$ 2,762,965.90
Contingency	\$ 269,000	\$ -	\$ 269,000.00
Miscellaneous	\$ 53,922	\$ 27,823.72	\$ 26,098.28
Total	\$ 5,282,196	\$ 2,137,958.17	\$ 3,144,237.83

Description:

The Central Business District is defined as the area bounded by Trade Alley, 2nd Ave NW, 2nd St NW and 3rd St NW. This area is served by some of the oldest lines in the Hickory publicly owned treatment works. This project includes the replacement or rehabilitation of approximately 5,300 linear feet of water lines, 6-12 inches in size; approximately 2,400 linear feet of storm drainage and 4,700 linear feet of sanitary sewer lines. Complete renovation of Trade Alley including surface finishes is included in this project.

Impact on future operating budgets:

The project will result in the expenditure of approximately \$1.8 million in Public Utilities Fund Balance/Capital Reserves and is anticipated to result in approximately \$1.4 million in low interest loan at 1.66% for 20 years. Cost savings will be realized by eliminating substantial inflow and infiltration inherent in older Collection Systems and renovate lines that exist that are greater than 100 years old.

Capital Improvements/Grant Projects

Pedestrian Signal Upgrade Project

Project # 545006

Total Project Cost: \$ 402,500

Project Start Date: Spring 2017

Project End Date: TBD

Project Manager: Caroline Kone, PE

Revenue	Budgeted	Project to Date	Remaining
Federal / Miscellaneous	\$ 322,000	\$ -	\$ 322,000.00
General Fund	\$ 80,500	\$ 80,500.00	\$ -
Interest Earned	\$ -	\$ -	\$ -
Total	\$ 402,500	\$ 80,500.00	\$ 322,000.00

Expenditure	Budgeted	Project to Date	Remaining
Construction	\$ 402,500		\$ 402,500.00
Total	\$ 402,500	\$ -	\$ 402,500.00

Description:

During early 2017, the City of Hickory received a grant from the NCDOT Surface Transportation Program to upgrade approximately 40 signalized intersections throughout the City with new pedestrian signal heads and audible pedestrian push buttons. Intersections chosen will complete pedestrian corridors to have new pedestrian signal heads at signalized intersections where they do not currently exist. In addition, signalized intersections near schools will be upgraded to audible pedestrian push buttons where regular push buttons currently exist. The grant is federally funded and administered through NCDOT, with a cost share of 80% from NCDOT and a 20% local match.

Impact on future operating budgets:

Immediate impact on the operating budget is the upfront 20% match to this federally-funded grant. The local match of \$80,500 will be derived from General Fund Balance. Over future budget years, this project should minimize the ongoing financial burden of budgeting and reserving annual funds for these type improvements to enhance public safety throughout the City.



Capital Improvements/Grant Projects

Downtown Lighting Upgrade Project

Project # 545005

Total Project Cost: \$ 402,500

Project Start Date: 2017

Project End Date: 2018

Project Manager: Kevin Greer, PE



Revenue	Budgeted	Project to Date	Remaining
General Fund	\$ 94,340	\$ 94,340.00	\$ -
Interest Earned	\$ -	\$ -	\$ -
Total	\$ 94,340	\$ 94,340.00	\$ -

Expenditure	Budgeted	Project to Date	Remaining
Construction	\$ 94,340	\$ 94,356.42	\$ (16.42)
Total	\$ 94,340	\$ 94,356.42	\$ (16.42)

Description:

The NC Main Street program approved a grant of \$94,340 to the City of Hickory for Downtown Revitalization initiatives to upgrade streetlight facilities. Funds will be used to paint and/or replace street light poles, as well as upgrade all lighting in the downtown area to LED fixtures. Going into FY2017-2018, there have been at least 49 poles identified for replacement by Duke Energy due to structural deficiencies.

Impact on future operating budgets:

Upfront cost of this conversion is being paid through the Downtown Revitalization Grant. Monthly cost of operation will be handled in the Traffic Division budget under the Street Lights line item. The total cost of operation annually will increase by approximately \$534.00 monthly for a total of 134 poles and fixtures. This increase is due to changing to LED light fixtures and the cost differential for specialty light housings.

Capital Improvements/Grant Projects

Falling Creek Road Bridge Replacement Project

Project # 490001

Total Project Cost: \$ 1,924,000

Project Start Date: April 2017

Project End Date: December 2018

Project Manager: Rick Patton, PE



Revenue	Budgeted	Project to Date	Remaining
State Reimbursements	\$ -	\$ -	\$ -
Federal / Miscellaneous	\$ 1,539,199	\$ 286,404.06	\$ 1,252,794.94
General Fund	\$ 218,801		\$ 218,801.00
Capital Reserve Fund	\$ 166,000	\$ 166,000.00	\$ -
Interest Earned	\$ -	\$ 1,011.64	\$ (1,011.64)
Total	\$ 1,924,000	\$ 453,415.70	\$ 1,470,584.30

Expenditure	Budgeted	Project to Date	Remaining
Engineering	\$ 327,437	\$ 294,147.75	\$ 33,289.25
Construction	\$ 1,258,944	\$ 92,809.43	\$ 1,166,134.57
Right-of-Way Acquisition	\$ 39,150	\$ 39,150.00	\$ -
Land	\$ 25,245	\$ 25,244.29	\$ 0.71
Construction Administration	\$ 104,303	\$ -	\$ 104,303.00
Utility Construction	\$ 168,921	\$ 130,432.12	\$ 38,488.88
Total	\$ 1,924,000	\$ 581,783.59	\$ 1,342,216.41

Description:

The City of Hickory participates with NCDOT in the evaluation of bridges for structural integrity. Upon inspection, the Falling Creek Road Bridge was evaluated and determined to be structurally deficient and functionally obsolete with respect to roadway width, railings, railing geometrics, and railing end treatments. It was determined that repairs alone would not be sufficient to restore the structural integrity and that a full replacement of the structure was necessary. This project was placed on the State Transportation Improvement Program (STIP) and will be performed under an "80/20" cost-sharing agreement between NCDOT and the City.

Impact on future operating budgets:

This project involves a 20% (\$384,801) local contribution, with NCDOT covering the remaining 80% (\$1,539,199). The City's portion will come from General Fund Balance. The project will result in a safer structure for the motoring public and less demand for maintenance in the coming years.

Capital Improvements/Grant Projects

Citywalk

Project#B1C001

Total Project Cost: TBD

Project Start Date: 2016

Project End Date: 2019

Project Manager: Kyle Butler, PE

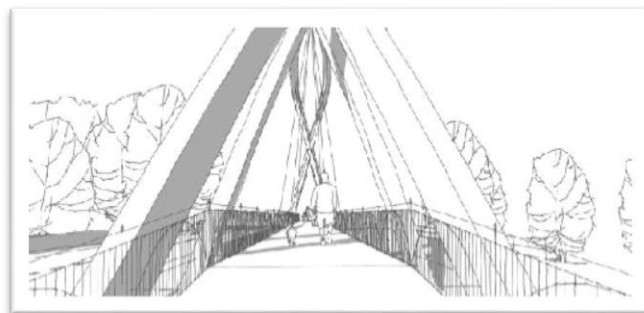


Revenue	Budgeted	Project to Date	Remaining
Federal / Citywalk	\$ -	\$ -	\$ -
Interest Earned	\$ -	\$ -	\$ -
Bond Proceeds	\$ -	\$ -	\$ -
General Fund	\$ 1,095,151	\$ 1,095,151.00	\$ -
Total	\$ 1,095,151	\$ 1,095,151.00	\$ -

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 1,095,151	\$ 391,867.54	\$ 703,283.46
Construction	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Total	\$ 1,095,151	\$ 391,867.54	\$ 703,283.46

Description:

Citywalk is a pedestrian link from Lenoir-Rhyne University through the downtown area and continues the mill redevelopments and corporate headquarter opportunities that have already taken place along this corridor. The goal of this project is to create destinations for jobs, service, and professional opportunities in the City's Central Business District. Locations along the Citywalk are viable for a number of activities including corporate headquarters, urban residential units, commercial services, and retail jobs. By June 30, 2017, funds have been allocated in this project's budget to conduct the initial planning and design. Actual construction costs will be determined as the project planning is completed at a future date. Construction will be paid for by the future issuance of bonds approved during the 2014 Bond Referendum along with any grant funding sources possible.



Impact on future operating budgets:

The initial project planning costs for Citywalk are being funded through General Fund monies. Upon completion of construction, the repayment of bonds will occur over time through a portion of City tax dollars.

Capital Improvements/Grant Projects

Riverwalk

Project # B1R001

Total Project Cost: TBD

Project Start Date: February 2017

Project End Date: August 2018

Project Manager: Kyle Butler, PE



Revenue	Budgeted	Project to Date	Remaining
Interest Earned	\$ -	\$ -	\$ -
General Fund	\$ 798,564	\$ 798,564.00	\$ -
Total	\$ 798,564	\$ 798,564.00	\$ -

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 798,564	\$ 15,679.89	\$ 782,884.11
Construction	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
Total	\$ 798,564	\$ 15,679.89	\$ 782,884.11

Description:

As another project to be funded by the voter-approved Bond Referendum from 2014, the Riverwalk will be Hickory's first on-water boardwalk experience, along the shoreline of Lake Hickory. This will take the form of mile-long ADA-accessible walkway extending from Highway 321 to Geitner-Rotary Park and is designed to let people view and experience the water through enhanced pedestrian access to Lake Hickory. Going into FY2017-2018, the initial planning stages have commenced with geotechnical work for the boardwalk's support system.

Impact on future operating budgets:

The initial project costs as depicted in the budget above include funds for preliminary engineering and design. This phase is being funded through General Fund monies and, upon completion of construction, the repayment of bonds will occur over time through portion of City tax dollars.



Capital Improvements/Grant Projects

Business Park 1764

Project # B1B001

Total Project Cost: \$ 1,301,951

Project Start Date: Spring 2017

Project End Date: TBD

Project Manager: Kevin Greer, PE

Revenue	Budgeted	Project to Date	Remaining
State Reimbursements / Misc.	\$ 671,920	\$ -	\$ 671,920.00
Business Park 1764	\$ -	\$ 3,857.50	\$ (3,857.50)
Interest Earned	\$ -	\$ 1,491.29	\$ (1,491.29)
General Fund	\$ 82,646	\$ 82,646.00	\$ -
Water and Sewer Fund	\$ 180,950	\$ 180,950.00	\$ -
Capital Reserve Fund	\$ 366,435	\$ 366,435.00	\$ -
Total	\$ 1,301,951	\$ 635,379.79	\$ 666,571.21

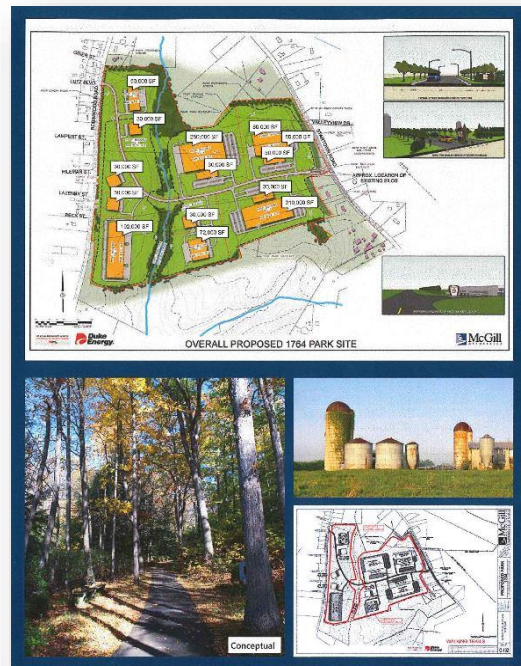
Expenditure	Budgeted	Project to Date	Remaining
Construction	\$ 1,001,664	\$ -	\$ 1,001,664.00
Engineering	\$ 155,685	\$ -	\$ 155,685.00
Miscellaneous	\$ 144,602	\$ 87,846.91	\$ 56,755.09
Total	\$ 1,301,951	\$ 87,846.91	\$ 1,214,104.09

Description:

Business Park 1764 is a joint venture between Catawba County and the City of Hickory. The mission is to develop an upscale business park of some 200 acres located south of Catawba Valley Community College between Robinwood Road and Startown Road, placing it with excellent access to Interstate 40 and Highway 321. Of the 2014 Bond Referendum approval, \$5 million is earmarked for the City's portion of the Park's development costs to include utility infrastructure and site preparation work. Also participating in the project is the NC Industrial Development Fund, which has provided a \$671,920 grant to assist in the site development. The Catawba County Economic Development Commission is currently marketing the property.

Impact on future operating budgets:

Enhanced opportunities for international and upper-end business development will benefit not only the local property tax base but will also enhance the availability of quality, higher technology jobs in the local community. This economic activity will have a broad impact on local revenues by increasing overall activity in the local housing, retail, and service sectors.



Capital Improvements/Grant Projects

Streetscapes and Gateways

Project # B1G001

Total Project Cost: TBD

Project Start Date: 2016

Project End Date: 2018

Project Manager: Kyle Butler, PE



Revenue	Budgeted	Project to Date	Remaining
Interest Earned	\$ -	\$ -	\$ -
General Fund	\$ 37,956	\$ 37,956.00	\$ -
Total	\$ 37,956	\$ 37,956.00	\$ -

Expenditure	Budgeted	Project to Date	Remaining
Design	\$ 37,956	\$ 27,140.74	\$ 10,815.26
Total	\$ 37,956	\$ 27,140.74	\$ 10,815.26

Description:

Another component of the 2014 Bond projects, Streetscapes and Gateways is a project to identify and develop solutions for enhanced access throughout the City at key locations. Gateway plans will be developed for the interchanges at Highway 70 / 321 and Lenoir-Rhyne Boulevard and Interstate 40. Streetscape plans will be developed for the section of Lenoir Rhyne Boulevard between Highway 70 and Tate Boulevard, as well as Old Lenoir Road which will connect the Citywalk to the Riverwalk.

Impact on future operating budgets:

The initial design phase is being funded through General Fund monies and, upon completion of construction, the repayment of bonds will occur over time through a portion of City tax dollars.





Like most municipalities, the City of Hickory utilizes debt as a means to finance long-term capital projects. Hickory has traditionally maintained a conservative position regarding the use of debt while simultaneously benefiting from its use to fund projects such as water plants, libraries, and police stations. Because of its critical importance to the City's financial solvency, debt is regulated not only by Council policy, but also by North Carolina statutes. The *Debt Service* section examines the specifics of the City's debt, **and includes only that debt that the City has outstanding at the time of the printing of this document.** To view the anticipated debt for the next five years, please review the *Five Year Financial Forecast* sections. This section concludes with the computation of the legal debt margin that presents the City's debt ceiling.

Discussion

The City of Hickory's bond rating is AA from Standard & Poor's, and Aa3 from Moody's. These ratings were upgraded during FY2008-2009, from a previous rating of AA- from Standard & Poor's. In the future, these bond ratings will continue to allow the City to borrow money at lower interest rates than what we have been able to achieve previously.

Debt service payments on State Revolving Loan funds borrowed from the State of North Carolina for the Northeast Wastewater Treatment Plant will make up 29.5% of all debt service requirements.

Debt service payments on Installment Purchase Agreements will make up 69.5% of all debt service requirements for the City of Hickory in FY2017-2018. Funds borrowed through this means of financing were for the Hickory Metro Convention Center, utilities for Annexation Area II and the Henry River Basin area, upgrades to the radio system, and upgrades to the Hickory-Catawba Wastewater Treatment Plant.

Debt service payments on Notes Payable will make up 1% of all debt service requirements for FY2017-2018. This note is a revolving loan funded by the American Recovery and Reinvestment Act for the Cripple Creek Interceptor replacement.

Debt Service



Debt Service		FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2021-22
State Revolving Loan						
Purpose	S-SRF-T-0900181 Northeast Plant					
Interest Rate	2.48%					
Issued	1/20/2013					
Due	Annually to 2033					
Outstanding	\$14,875,000					
Principal		875,000	875,000	875,000	875,000	875,000
Interest		347,200	325,500	303,800	282,100	260,400
Purpose	Cripple Creek ARRA Loan					
Interest Rate	0%					
Issued	2010					
Due	Annually to 2031					
Outstanding	\$560,802					
Principal		40,057	40,057	40,057	40,057	40,057
Interest		-	-	-	-	-
Subtotal		1,262,257	1,240,557	1,218,857	1,197,157	1,175,457
Installment Purchase Agreements						
Purpose	Hky Metro Conv. Center Renovations					
Interest Rate	2.63% Variable Interest					
Issued	2004					
Due	Semi-annually to 2019					
	3.91% 5/05 Locked Interest Rate					
	2.09% Reduced Interest Rate 04/12					
Outstanding	\$770,000					
Principal		220,000	220,000	110,000	-	-
Interest		10,346	5,748	1,150	-	-
Purpose	Hky Metro Conv. Center					
Interest Rate	4.9% -9.89% Interest					
Issued	1998					
Due	Semi-annually to 2018					
	3.79% Reduced Interest Rate 07/15/03					
	1.79% Reduced Interest Rate 04/2012					
Outstanding	\$707,000					
Principal		282,800	141,400	-	-	-
Interest		6,328	1,266	-	-	-
Purpose	Hky Metro Conv. Center Parking Deck					
Interest Rate	2.94%					
Issued	10/22/2014					
Due	Semi-annually to 2030					
Outstanding	\$2,700,000					
Principal		200,000	200,000	200,000	200,000	200,000
Interest		67,867	61,987	56,107	50,227	44,347
Purpose	Henry River Basin Sewer					
Interest Rate	3.55%					
Issued	04/05/05					
Due	Semi-annually to 2025					
	3.19% Reduced Interest Rate 03/21/12					
Outstanding	\$4,275,000					
Principal		475,000	475,000	475,000	475,000	475,000
Interest		117,432	102,279	87,127	71,975	56,822
Purpose	Area II Annexation-Water/Sewer					
Interest Rate	4.9%-9.89% Interest					
Issued	12/29/1998					
Due	Semi-annually to 2019					
	3.79% Reduced Interest Rate 07/15/03					
	1.79% Reduced Interest Rate 03/21/12					
Outstanding	\$498,688					
Principal		199,475	99,738	-	-	-
Interest		4,463	893	-	-	-

Debt Service



Debt Service		FY2017-18	FY2018-19	FY2019-20	FY2020-21	FY2020-21
Purpose	Ridgeview Renovations					
Interest Rate	3.69% Reduced Interest Rate 07-15-03					
Issued	4/02					
Due	Semi-annually to 2017					
Purpose	Stanford Park					
Interest Rate	3.69% Reduced Interest Rate 07-15-03					
Issued	4/02					
Due	Semi-annually to 2017					
	Combined Debts 04/2012					
	1.69% Reduced interest rate 4/2012					
Outstanding	\$385,618					
Principal		-	-	-	-	-
Interest		-	-	-	-	-
Purpose	Radio System Upgrade					
Interest Rate	3.79%					
Issued	12/10/2008					
Due	Semi-annually to 2019					
Outstanding	\$260,671					
Principal		104,269	52,134	-	-	-
Interest		4,940	988	-	-	-
Purpose	Maiden Water Line					
Interest Rate	4.46%					
Issued	2002					
Due	Semi-annually to 2021					
	4.19% Reduced Interest Rate 4/16/06					
	2.17% Reduced Interest Rate 04/2012					
Outstanding	\$1,845,225					
Principal		369,045	369,045	369,045	369,046	
Interest		30,031	22,023	14,014	6,007	
Purpose	Hickory-Catawba WWTP Upgrade					
Interest Rate	2.27%					
Issued	02/01/13					
Due	Semi-annually to 2028					
Outstanding	\$8,178,695					
Principal		613,864	627,877	642,211	656,872	671,868
Interest		168,569	154,555	140,221	125,561	110,565
Subtotal		2,874,429	2,534,933	2,094,875	1,954,688	1,558,601
Intergovernmental Agreements						
Catawba County Contracts						
Subtotal		-	-	-	-	-
Grand Total		4,136,686	3,775,490	3,313,732	3,151,845	2,734,058

Computation of Legal Debt Margin

Net Assessed Value – June 30, 2016	\$4,539,689,037
	<u>x .08</u>
Debt Limit – Eight Percent (8%) of Assessed Value	\$ 363,175,123
Gross Debt:	
Total Bonded Debt	\$ 0
Notes Payable and Installment Purchase Agreements	<u>35,073,488</u>
Total Amount of Debt Applicable to Debt Limit (Net Debt)	\$ 35,073,488
Legal Debt Margin	<u>\$328,101,635</u>

The City is subject to the Local Government Bond Act of North Carolina, which limits the amount of net bonded debt the City may have outstanding to 8% of the assessed value of the property subject to taxation. The City's net debt as a percentage of assessed valuation is 0.77% compared to the legal debt limit of 8%.



FIVE YEAR FINANCIAL FORECAST 2016-2017 THROUGH 2021-2022

The City of Hickory recognizes the importance of long-range planning throughout the organization. No effective plan, however, can exist without an understanding of the resources and obligations anticipated in the coming years. The City develops its Five Year Budget Forecast to establish a reasonable basis for the budget planning process.

This Five Year Budget Forecast includes the General Fund, Water and Sewer Fund, Stormwater Fund, Sludge Composting Fund, Transportation Fund, Solid Waste Fund, Fleet Maintenance Fund and Insurance Fund.

To complete this Five Year Budget Forecast, we consider:

1. City Council's Priorities and Action Plan
2. Five Year CIP
3. Five Year Debt Schedule
4. Master Plans
5. Past budgetary trends
6. Current economic conditions
7. Projected economic conditions

In that we are projecting into the future based on what we know today and what we have experienced in the past, the last consideration of projected economic conditions can be extremely volatile, particularly as it relates to future revenue growth. We have a level of control over future expenditure growth, but economic conditions will ultimately dictate future revenue growth. You will see that our forecasted revenue growth has been estimated at what we believe to be achievable levels, but there are no guarantees.

You will also notice that projected expenditures may exceed projected revenues. Every Annual Budget adopted by City Council is statutorily required to be balanced, so these unbalanced projected numbers reflect the work which must be done every year to get expenditures in line with revenues. To present balanced budget projections would not provide an accurate accounting of the budgetary challenges faced every year. Improved economic conditions will translate into revenue growth that exceeds what is being forecast in this document. That generally translates into fewer cuts on the expenditure side or less pressure to increase revenue through new or increased taxes to provide the same level of service or new services.

The following projections present the budget framework around which planning for the City's next five fiscal years can begin.

GENERAL FUND REVENUE

- **Ad Valorem**
Anticipated growth in the City's property tax base will produce 3.0% growth in property tax revenues annually.
- **Other Taxes**
This category of revenue is highly impacted by both local and state-wide economic conditions. On average, these revenues will increase by 3% annually through FY2021-2022. Sales Taxes and Utility Franchise Taxes are the largest sources of revenue in this category.

Five Year Financial Forecast

- **Unrestricted Governmental Revenue**

These are revenues received from other governmental jurisdictions for which there are no restrictions on use. There is no growth forecasted in this category of revenue through FY2021-2022. The Beer & Wine Tax is the single largest source of revenue in this category.

- **Restricted Governmental Revenue**

These revenues are received from other governmental jurisdictions and are restricted for specific purposes in their use. We project 3% annual growth in this category of revenue due to most of these revenues coming from the State of North Carolina, an unstable financial partner with structural budgetary problems. The single largest source of revenue in this category is Powell Bill revenues, which are used solely for road maintenance.

- **Licenses & Permits**

These revenues are driven by local economic conditions and are derived from fees approved by City Council in the City's Fee Schedule. Fees are normally increased annually by the Consumer Price Index, but this gauge does not necessarily correspond to increases in revenue.

- **Sales & Services**

These revenues are also driven by local economic conditions, but to a lesser degree, and are derived from fees approved by City Council in the City's Fee Schedule. Many, but not all of the fees related to Sales and Services are increased annually by the Consumer Price Index. The two major sources of revenue in this category are Cable Franchise Fees and TDA Convention Center Rental. These two sources of revenue are not increased by the annual Consumer Price Index. TDA Convention Center Rental Revenue is tied to the debt service payments the City makes on this facility. Most sources of revenue in this category are expected to increase by 3% annually.

- **Investment Earnings**

These revenues are the earnings gained by the investment of the City's cash reserves in the financial markets. A conservative 3% growth is estimated over the next five years.

- **Miscellaneous**

These are revenues that do not qualify for any other category of revenue. Revenue growth in this category is projected to remain flat.

- **Other Financing Sources**

This category of revenue reflects the appropriation of fund balance for designated purposes, and transfers from the Capital Reserve Fund for capital purchases. It is anticipated that this source of revenue will remain flat over the next five years.

GENERAL FUND EXPENDITURES

- **Personnel**

These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments and the ever-increasing cost of providing health insurance coverage to employees which is anticipated to grow 5% annually. Longevity pay, part-time salaries, overtime and holiday pay are projected to stay flat. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average this category of expenses is projected to increase by 2% annually.

Five Year Financial Forecast

- **Operational**

Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenses is projected to increase by the annual Consumer Price Index, estimated to average 2% annually.

- **Capital**

Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most major construction projects are budgeted outside of the Annual Budget.

- **Contingency**

City Council's adopted policy calls for General Fund Contingency funding equal to 1.5% of recurring General Fund Revenues. Projected increases in Contingency funding mirror projected increases in budgeted revenue.

- **Special Appropriations Funding**

City Council provides financial support to various organizations that contribute to the quality of life for all City residents, contribute to the revenue base of the City, or provide a necessary service that the City itself does not provide. No growth is projected in this category of expenditures.

- **Debt Service**

Debt service appropriations account for the payment of principal and interest on proceeds from debt instruments to finance major capital projects and capital purchases. Exclusive of any unanticipated issuance of new debt, this category of expenditure will generally decline over the next five years.

- **Interfund Transfers**

Interfund transfers are transfers between the fund receiving financial resources and the fund through which the financial resources are to be expended. This category of expenditures is projected to grow by 2% annually.

- **Pro-Rata Reimbursements**

This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Water and Sewer Fund reimbursing the General Fund for the cost to bill and collect utility accounts. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditure is projected to increase by the annual Consumer Price Index.

WATER AND SEWER FUND REVENUE

- **Restricted Governmental Revenue**

These revenues are received from other governmental jurisdictions and are restricted for specific purposes in their use. Among the largest sources of revenue in this category are from the Town of Longview and Burke County related to their past participation in the Henry Fork Wastewater Treatment Plant, the Town of Maiden's purchase of capacity in the City's Water Plant, and the Town of Claremont for operational services provided by the City of Hickory to their utility system. Growth is projected to remain flat.

- **Sales & Services**

This category of revenue comprises the vast majority of revenue received by the Water and Sewer Fund. Revenue generated from water sales and sewer sales make up the majority of the revenue received in this category. Growth in this category of revenue is greatly impacted by the weather, economic activity and growth in the utility system. Growth is projected at 4% annually.

Five Year Financial Forecast

- **Investment Earnings**

These revenues are the earnings gained by the investment of the City's cash reserves in the financial markets. A conservative 3% growth is estimated over the next five years.

- **Miscellaneous**

These are revenues that do not qualify for any other category of revenue. Revenue growth in this category is projected to remain flat.

- **Other Financing Sources**

This category of revenue reflects the transfer of funds from the Capital Reserve Fund for capital purchases. It is anticipated that this source of revenue will remain flat over the next five years.

WATER AND SEWER FUND EXPENDITURES

- **Personnel**

These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments, and the ever-increasing cost of providing full health insurance coverage to employees which is anticipated to grow 5% annually. Longevity pay, part-time salaries, overtime and holiday pay are projected to stay flat. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average, this category of expenses is projected to increase by 2% annually.

- **Operational**

Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenses is projected to increase by the annual Consumer Price Index.

- **Capital**

Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget.

- **Contingency**

Contingency is budgeted in the Water and Sewer Fund to provide funding for unanticipated, unbudgeted, nonrecurring expenses that may occur during the year. Projected increases in Contingency funding in the Water and Sewer Fund are based on the projected average annual Consumer Price Index.

- **Special Appropriations Funding**

City Council provides financial support to various organizations that contribute to the quality of life for all City residents, contribute to the revenue base of the City, or provide a necessary service that the City itself does not provide. In the Water and Sewer fund, the extent of this type of funding is to Habitat for Humanity for water and sewer taps related to new homes they construct each year, as well as water quality funding to the Western Piedmont Council of Government. No growth is projected in this category of expenditures.

- **Debt Service**

Debt service appropriations account for the payment of principal and interest on general obligation bonds and notes, and proceeds from debt instruments to finance major capital projects and capital purchases. Exclusive of any unanticipated issuance of new debt, this category of expenditure will generally decline over the next five years.

Five Year Financial Forecast

- **Interfund Transfers**

Interfund transfers are transfers between the fund receiving financial resources and the fund through which the financial resources are to be expended. Two Interfund Transfers are made by the Water and Sewer Fund, one to the Capital Reserve Fund and another to the Stormwater Fund. These expenditures are expected to increase by 2% annually over the next five years.

- **Pro-Rata Reimbursements**

This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Water and Sewer Fund reimbursing the General Fund for the cost to bill and collect utility accounts. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditure is projected to increase by the annual Consumer Price Index.

SLUDGE COMPOSTING FUND REVENUE

- **Restricted Governmental**

It is anticipated that this fund will continue to receive funding from the City of Conover, Catawba County and City of Hickory at the agreed upon percentages for the operation of this facility. The City of Newton is no longer a partner in this operation. Revenues are received at a level to support operations and are projected to increase by 3% annually.

SLUDGE COMPOSTING FUND EXPENDITURES

- **Operational**

Operational expenditures are projected to increase slightly less than the projected annual Consumer Price Index.

- **Capital**

Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget. There are minimal capital purchases anticipated with the Sludge Composting Facility over the next five years.

- **Pro-Rata Reimbursements**

Pro-Rata Reimbursements are projected to increase by the Consumer Price Index, or 2% annually.

STORMWATER FUND REVENUE

- **Other Financing Sources**

This category of revenue reflects the transfer of funds from both the General Fund and the Water and Sewer Fund which both support this fund financially.

Five Year Financial Forecast

STORMWATER FUND EXPENDITURES

- **Personnel**
These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments, and the ever-increasing cost of providing health insurance coverage to employees which is anticipated to grow 5% annually. Longevity pay, part-time salaries, overtime and holiday pay are projected to stay flat. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average, this category of expenses is projected to increase by 2% annually.
- **Operational**
Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenses is projected to increase by the annual Consumer Price Index.

SOLID WASTE FUND REVENUE

- **Other Taxes**
This is the Solid Waste Excise Tax the City receives from the State of North Carolina. It is related to Tipping Fees the City pays and is a partial rebate. There will be no growth in this source of revenue.
- **Sales & Services**
This category of revenue comprises the vast majority of revenue received by the Solid Waste Fund. Revenue generated from the Solid Waste Fee, Dumpster Rentals and Tipping Fees make up the majority of the revenue received in this category. Growth in this category of revenue is greatly impacted by economic activity and growth of the customer base within the City and it projected at 3% annually.
- **Investment Earnings**
These revenues are the earnings gained by the investment of the City's cash reserves in the financial markets. A conservative 3% growth is estimated over the next five years.
- **Miscellaneous**
These are revenues that do not qualify for any other category of revenue. Revenue growth in this category is projected to remain flat.
- **Other Financing Sources**
The Solid Waste Fund receives a significant subsidy from the General Fund due to the Solid Waste Fund's revenues not meeting its expenditure requirements. It is projected that this subsidy will increase by 3% annually.

SOLID WASTE FUND EXPENDITURES

- **Personnel**
These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments and the ever-increasing cost of providing health insurance coverage to employees. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average, this category of expenses is projected to increase by 2% annually.

Five Year Financial Forecast

- **Operational**

Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenses is projected to increase by the annual Consumer Price Index.

- **Capital**

Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget.

- **Pro-Rata Reimbursements**

This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Solid Waste Fund reimbursing the General Fund for the cost to bill and collect on accounts. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditure is projected to increase by the annual Consumer Price Index.

TRANSPORTATION FUND REVENUES

- **Sales & Services**

This category of revenue comprises the vast majority of revenue received by the Airport. Growth in this category of revenue is greatly impacted by local economic activity and air travel, and is projected at 3% annually.

- **Investment Earnings**

These revenues are the earnings gained by the investment of the City's cash reserves in the financial markets. A conservative 3% growth is estimated over the next five years.

TRANSPORTATION FUND EXPENDITURES

- **Personnel**

These expenses are incurred as a result of full-time and part-time employees. Increases are generally driven by annual salary adjustments and the ever-increasing cost of providing health insurance coverage to employees. The addition of new employees for new or expanded services will increase this expenditure by more than the projected increases. On average, this category of expenses is projected to increase by 2% annually.

- **Operational**

Operational expenses include such things as maintenance & repair, departmental supplies, fuel, power, natural gas and risk insurance. This category of expenditures is projected to increase by the annual Consumer Price Index.

- **Capital**

Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget.

Five Year Financial Forecast

- **Pro-Rata Reimbursements**

This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Transportation Fund reimbursing the General Fund for the cost to bill and collect on accounts. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditures is projected to increase by the annual Consumer Price Index.

FLEET MAINTENANCE FUND REVENUE

- **Sales and Services**

Sales and Services are the only source of revenue for this fund. As this fund is classified as an internal service fund, the fee structure for this fund is set to produce sufficient revenue to meet the vital expenditure needs of the service provided. Revenue is expected to increase an average of 2% annually.

FLEET MAINTENANCE FUND EXPENDITURES

- **Personnel**

Personnel expenditures increase by an annual average of 2%. This increase is driven by annual salary adjustments and the ever-increasing cost of providing health insurance coverage to the employee.

- **Operational**

Operational expenditures are projected to increase by the projected Consumer Price Index, which is 3% annually.

- **Capital**

Capital is defined as a tangible purchase more than \$5,000 in value with a life expectancy of more than one year. The majority of purchases in this category are replacement equipment and replacement vehicle purchases. Most construction projects are budgeted outside of the Annual Budget.

- **Pro-Rata Reimbursements**

This category of expenditure includes the payment from one fund to another fund for services rendered. A good example of this is the Fleet Maintenance Fund reimbursing the General Fund for the cost of billing fleet charges to the various departmental users of Fleet services. The actual reimbursement is shown as a credit to the fund providing the service and a debit (cost) to the fund receiving the service. This category of expenditure is projected to increase by the annual Consumer Price Index.

INSURANCE FUND REVENUE

- **Sales and Services**

Sales and Services is the major source of revenue for this fund. As this fund is classified as an internal service fund, the fee structure for this fund is set to produce sufficient revenue to meet the vital expenditure needs of the service provided. Revenue is expected to increase an average of 2% annually.

- **Investment Earnings.**

A conservative 3% growth is estimated over the next five years.

Five Year Financial Forecast

INSURANCE FUND EXPENDITURES

- **Personnel**

Health insurance expenditures make up all the personnel related expenditures in this fund. These expenditures are projected to increase by an annual average of 5%. Adding new employees for new or expanded services will increase this expenditure by more than the projected amount.

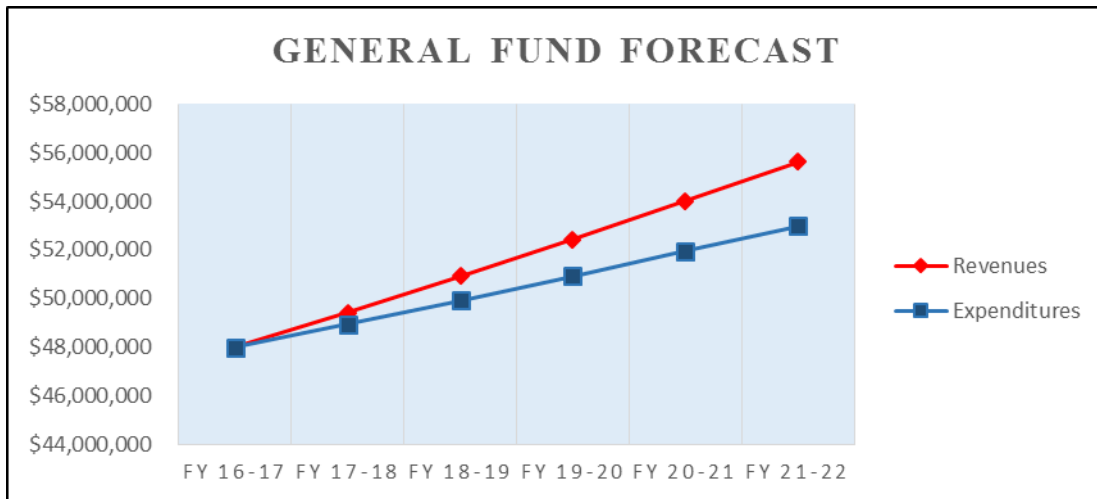
- **Operational**

Other non-personnel related Risk financing expenditures are projected to increase by 3% annually.

Five Year Financial Forecast

General Fund Forecast

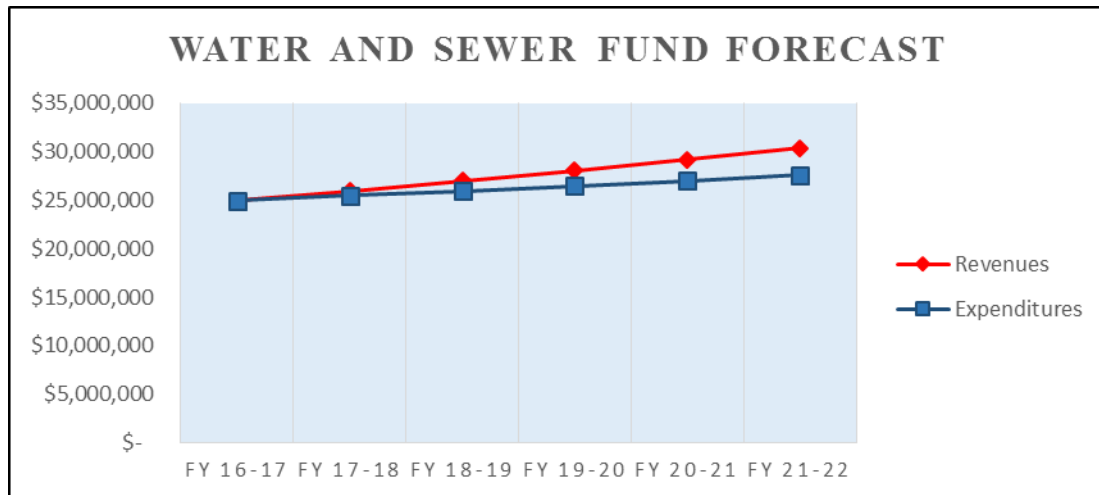
Revenues	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Ad Valorem Taxes	\$ 25,390,000	\$ 26,151,700	\$ 26,936,251	\$ 27,744,339	\$ 28,576,669	\$ 29,433,969
Other Taxes	\$ 14,500,000	\$ 14,935,000	\$ 15,383,050	\$ 15,844,542	\$ 16,319,878	\$ 16,809,474
Unrestricted Intergovernmental	\$ 595,000	\$ 612,850	\$ 631,236	\$ 650,173	\$ 669,678	\$ 689,768
Restricted Intergovernmental	\$ 2,054,401	\$ 2,116,033	\$ 2,179,514	\$ 2,244,899	\$ 2,312,246	\$ 2,381,614
Licenses and Permits	\$ 7,200	\$ 7,416	\$ 7,638	\$ 7,868	\$ 8,104	\$ 8,347
Sales and Services	\$ 1,750,359	\$ 1,802,870	\$ 1,856,956	\$ 1,912,665	\$ 1,970,044	\$ 2,029,146
Investment Earnings	\$ 125,000	\$ 128,750	\$ 132,613	\$ 136,591	\$ 140,689	\$ 144,909
Miscellaneous	\$ 318,000	\$ 327,540	\$ 337,366	\$ 347,487	\$ 357,912	\$ 368,649
Other Financing Sources	\$ 3,249,773	\$ 3,347,266	\$ 3,447,684	\$ 3,551,115	\$ 3,657,648	\$ 3,767,378
Total	\$ 47,989,733	\$ 49,429,425	\$ 50,912,308	\$ 52,439,677	\$ 54,012,867	\$ 55,633,253
Expenditures						
Personnel	\$ 30,667,336	\$ 31,280,683	\$ 31,906,296	\$ 32,544,422	\$ 33,195,311	\$ 33,859,217
Operational	\$ 12,673,274	\$ 12,926,739	\$ 13,185,274	\$ 13,448,980	\$ 13,717,959	\$ 13,992,319
Capital	\$ 3,488,878	\$ 3,558,656	\$ 3,629,829	\$ 3,702,425	\$ 3,776,474	\$ 3,852,003
Contingency	\$ 650,000	\$ 663,000	\$ 676,260	\$ 689,785	\$ 703,581	\$ 717,653
Special Appropriations Funding	\$ 1,093,859	\$ 1,115,736	\$ 1,138,051	\$ 1,160,812	\$ 1,184,028	\$ 1,207,709
Debt Service	\$ 1,415,519	\$ 1,443,829	\$ 1,472,706	\$ 1,502,160	\$ 1,532,203	\$ 1,562,847
Interfund Transfers	\$ 1,200,311	\$ 1,224,317	\$ 1,248,804	\$ 1,273,780	\$ 1,299,255	\$ 1,325,240
Pro-Rata Reimbursements	(\$3,199,444)	(\$3,263,433)	(\$3,328,702)	(\$3,395,276)	(\$3,463,181)	(\$3,532,445)
Total	\$ 47,989,733	\$ 48,949,528	\$ 49,928,518	\$ 50,927,089	\$ 51,945,630	\$ 52,984,543



Five Year Financial Forecast

Water and Sewer Fund Forecast

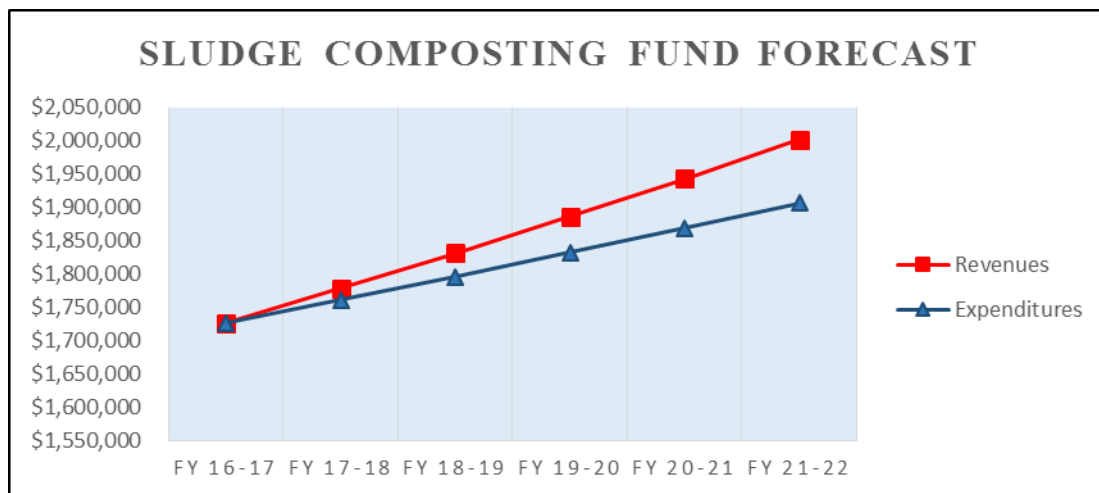
Revenues	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Restricted Intergovernmental	\$ 1,181,577	\$ 1,228,840	\$ 1,277,994	\$ 1,329,113	\$ 1,382,278	\$ 1,437,569
Sales and Services	\$ 21,716,880	\$ 22,585,555	\$ 23,488,977	\$ 24,428,537	\$ 25,405,678	\$ 26,421,905
Investment Earnings	\$ 50,000	\$ 52,000	\$ 54,080	\$ 56,243	\$ 58,493	\$ 60,833
Miscellaneous	\$ 340,000	\$ 353,600	\$ 367,744	\$ 382,454	\$ 397,752	\$ 413,662
Other Financing Sources	\$ 1,681,128	\$ 1,748,373	\$ 1,818,308	\$ 1,891,040	\$ 1,966,682	\$ 2,045,349
Total	\$ 24,969,585	\$ 25,968,368	\$ 27,007,103	\$ 28,087,387	\$ 29,210,883	\$ 30,379,318
Expenditures						
Personnel	\$ 5,537,968	\$ 5,648,727	\$ 5,761,702	\$ 5,876,936	\$ 5,994,475	\$ 6,114,364
Operational	\$ 7,523,276	\$ 7,673,742	\$ 7,827,216	\$ 7,983,761	\$ 8,143,436	\$ 8,306,305
Capital	\$ 3,355,700	\$ 3,422,814	\$ 3,491,270	\$ 3,561,096	\$ 3,632,318	\$ 3,704,964
Contingency	\$ 300,000	\$ 306,000	\$ 312,120	\$ 318,362	\$ 324,730	\$ 331,224
Special Appropriations Funding	\$ 63,002	\$ 64,262	\$ 65,547	\$ 66,858	\$ 68,195	\$ 69,559
Debt Service	\$ 3,619,792	\$ 3,692,188	\$ 3,766,032	\$ 3,841,352	\$ 3,918,179	\$ 3,996,543
Interfund Transfers	\$ 1,157,697	\$ 1,180,851	\$ 1,204,468	\$ 1,228,557	\$ 1,253,128	\$ 1,278,191
Pro-Rata Reimbursements	\$ 3,412,150	\$ 3,480,393	\$ 3,550,001	\$ 3,621,001	\$ 3,693,421	\$ 3,767,289
Total	\$ 24,969,585	\$ 25,468,977	\$ 25,978,356	\$ 26,497,923	\$ 27,027,882	\$ 27,568,439



Five Year Financial Forecast

Sludge Composting Fund Forecast

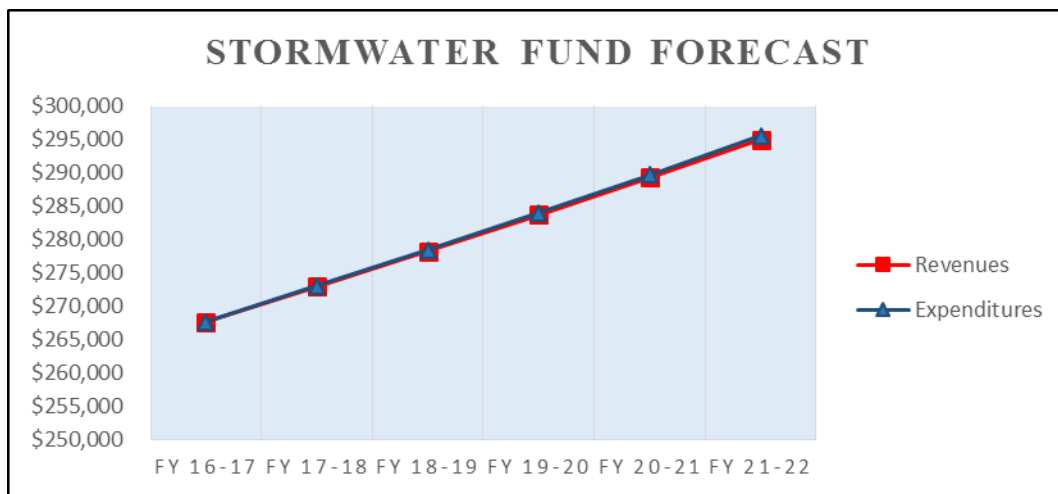
Revenues	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Restricted Intergovernmental	\$ 1,726,338	\$ 1,778,128	\$ 1,831,472	\$ 1,886,416	\$ 1,943,009	\$ 2,001,299
Total	\$ 1,726,338	\$ 1,778,128	\$ 1,831,472	\$ 1,886,416	\$ 1,943,009	\$ 2,001,299
Expenditures						
Operational	\$ 1,555,086	\$ 1,586,188	\$ 1,617,911	\$ 1,650,270	\$ 1,683,275	\$ 1,716,941
Capital	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122	\$ 55,204
Pro-Rata Reimbursements	\$ 121,252	\$ 123,677	\$ 126,151	\$ 128,674	\$ 131,247	\$ 133,872
Total	\$ 1,726,338	\$ 1,760,865	\$ 1,796,082	\$ 1,832,004	\$ 1,868,644	\$ 1,906,017



Five Year Financial Forecast

Stormwater Fund Forecast

Revenues	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Other Financing Sources	\$ 267,702	\$ 272,949	\$ 278,299	\$ 283,753	\$ 289,315	\$ 294,986
Total	\$ 267,702	\$ 272,949	\$ 278,299	\$ 283,753	\$ 289,315	\$ 294,986
Expenditures						
Personnel	\$ 108,452	\$ 110,621	\$ 112,833	\$ 115,090	\$ 117,392	\$ 119,740
Operational	\$ 159,250	\$ 162,435	\$ 165,684	\$ 168,997	\$ 172,377	\$ 175,825
Total	\$ 267,702	\$ 273,056	\$ 278,517	\$ 284,088	\$ 289,769	\$ 295,565

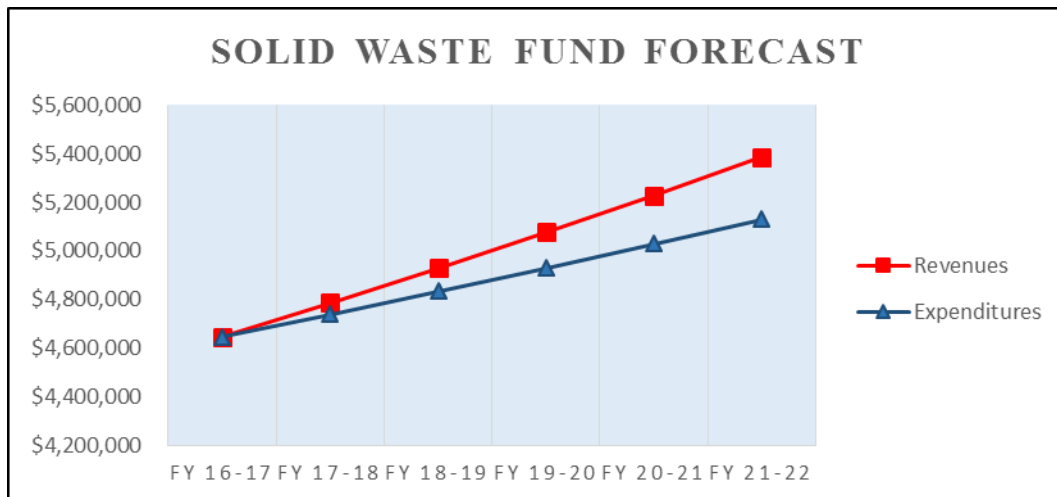


Five Year Financial Forecast

Solid Waste Fund Forecast

Revenues	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Other Taxes	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	\$ 28,982
Sales and Services	\$ 4,241,400	\$ 4,368,642	\$ 4,499,701	\$ 4,634,692	\$ 4,773,733	\$ 4,916,945
Investment Earnings	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796
Miscellaneous	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478
Other Financing Sources	\$ 371,460	\$ 382,604	\$ 394,082	\$ 405,904	\$ 418,082	\$ 430,624
Total	\$ 4,645,860	\$ 4,785,236	\$ 4,928,793	\$ 5,076,657	\$ 5,228,956	\$ 5,385,825

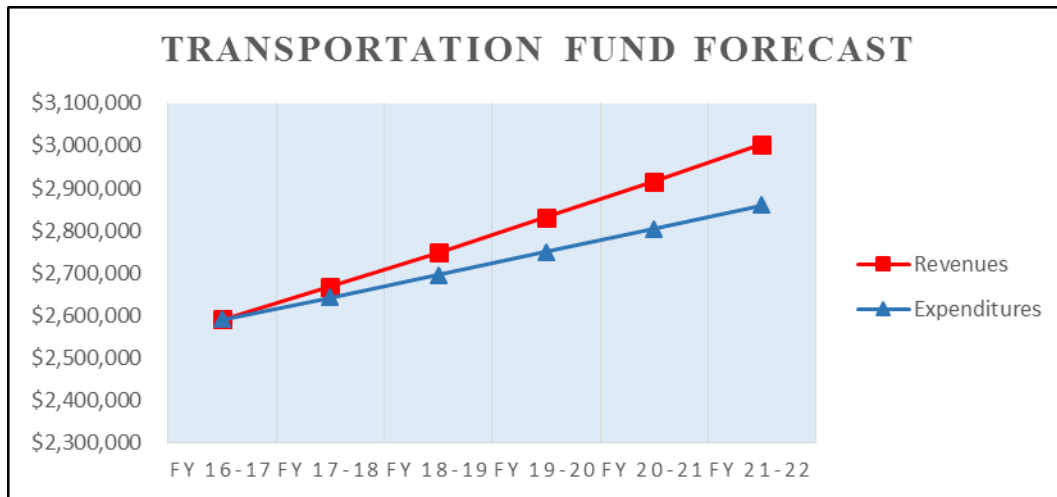
Expenditures	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Personnel	\$ 1,513,714	\$ 1,543,988	\$ 1,574,868	\$ 1,606,365	\$ 1,638,493	\$ 1,671,263
Operational	\$ 2,325,198	\$ 2,371,702	\$ 2,419,136	\$ 2,467,519	\$ 2,516,869	\$ 2,567,206
Capital	\$ 363,000	\$ 370,260	\$ 377,665	\$ 385,219	\$ 392,923	\$ 400,781
Contingency	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122	\$ 55,204
Pro-Rata Reimbursements	\$ 393,948	\$ 401,827	\$ 409,863	\$ 418,061	\$ 426,422	\$ 434,950
Total	\$ 4,645,860	\$ 4,738,777	\$ 4,833,553	\$ 4,930,224	\$ 5,028,828	\$ 5,129,405



Five Year Financial Forecast

Transportation Fund Forecast

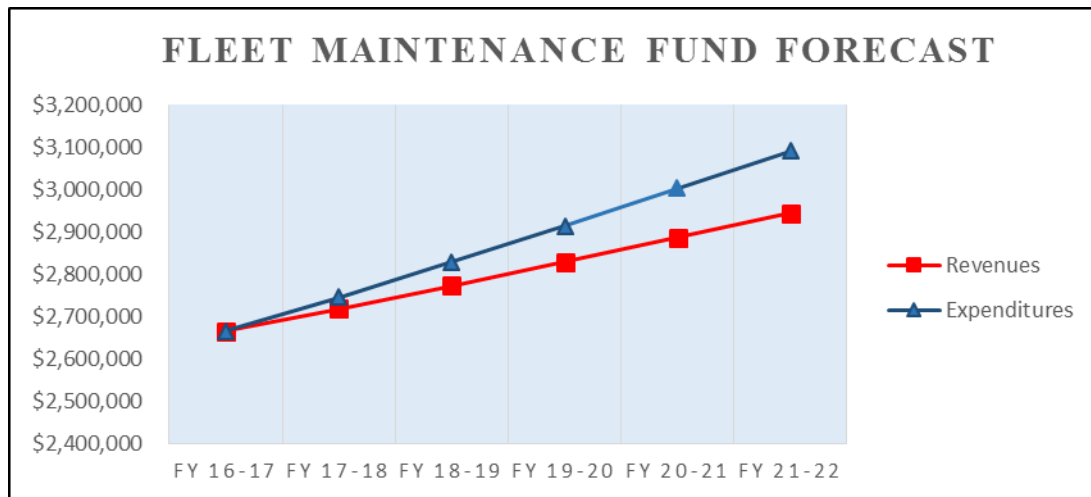
Revenues	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Sales and Services	\$ 2,584,027	\$ 2,661,548	\$ 2,741,394	\$ 2,823,636	\$ 2,908,345	\$ 2,995,596
Restricted Governmental	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956
Investment Earnings	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159
Total	\$ 2,591,027	\$ 2,668,758	\$ 2,748,821	\$ 2,831,285	\$ 2,916,224	\$ 3,003,710
Expenditures						
Personnel	\$ 510,464	\$ 520,673	\$ 531,087	\$ 541,708	\$ 552,543	\$ 563,594
Operational	\$ 1,866,102	\$ 1,903,424	\$ 1,941,493	\$ 1,980,322	\$ 2,019,929	\$ 2,060,327
Capital	\$ 65,000	\$ 66,300	\$ 67,626	\$ 68,979	\$ 70,358	\$ 71,765
Contingency	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473	\$ 33,122
Pro-Rata Reimbursements	\$ 119,461	\$ 121,850	\$ 124,287	\$ 126,773	\$ 129,308	\$ 131,895
Total	\$ 2,591,027	\$ 2,642,848	\$ 2,695,704	\$ 2,749,619	\$ 2,804,611	\$ 2,860,703



Five Year Financial Forecast

Fleet Maintenance Fund Forecast

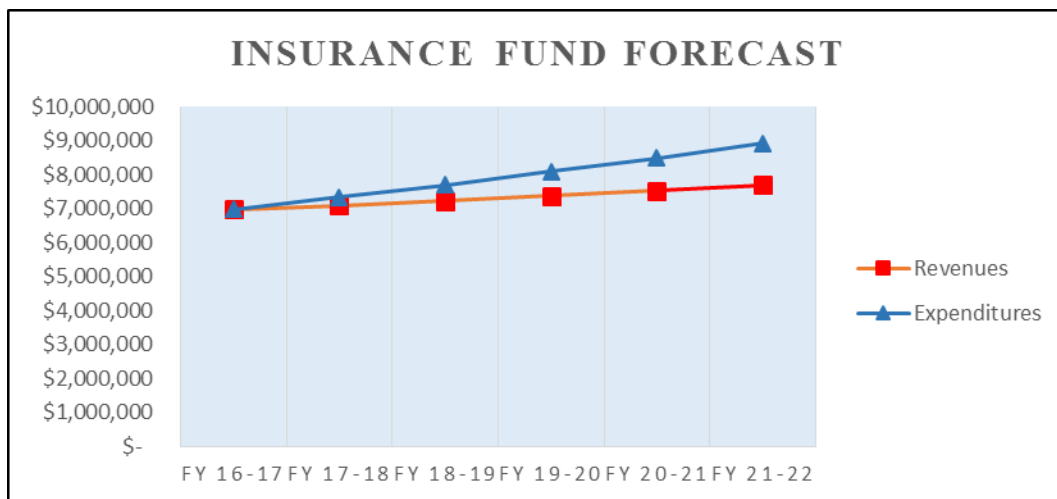
Revenues	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Sales and Services	\$ 2,666,033	\$ 2,719,354	\$ 2,773,741	\$ 2,829,216	\$ 2,885,800	\$ 2,943,516
Total	\$ 2,666,033	\$ 2,719,354	\$ 2,773,741	\$ 2,829,216	\$ 2,885,800	\$ 2,943,516
Expenditures						
Personnel	\$ 613,961	\$ 632,380	\$ 651,351	\$ 670,892	\$ 691,019	\$ 711,749
Operational	\$ 1,765,003	\$ 1,817,953	\$ 1,872,492	\$ 1,928,666	\$ 1,986,526	\$ 2,046,122
Capital	\$ 28,000	\$ 28,840	\$ 29,705	\$ 30,596	\$ 31,514	\$ 32,460
Pro-Rata Reimbursements	\$ 259,069	\$ 266,841	\$ 274,846	\$ 283,092	\$ 291,584	\$ 300,332
Total	\$ 2,666,033	\$ 2,746,014	\$ 2,828,394	\$ 2,913,246	\$ 3,000,644	\$ 3,090,663



Five Year Financial Forecast

Insurance Fund Forecast

Revenues	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Sales and Services	\$ 6,917,094	\$ 7,055,436	\$ 7,196,545	\$ 7,340,475	\$ 7,487,285	\$ 7,637,031
Investment Earnings	\$ 40,000	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297	\$ 44,163
Other Financing Sources	\$ 37,462	\$ 38,211	\$ 38,975	\$ 39,755	\$ 40,550	\$ 41,361
Total	\$ 6,994,556	\$ 7,096,236	\$ 7,238,161	\$ 7,382,924	\$ 7,530,582	\$ 7,681,194
Expenditures						
Operational	\$ 6,994,556	\$ 7,344,284	\$ 7,711,498	\$ 8,097,073	\$ 8,501,927	\$ 8,927,023
Total	\$ 6,994,556	\$ 7,344,284	\$ 7,711,498	\$ 8,097,073	\$ 8,501,927	\$ 8,927,023





Performance Measurement



The City of Hickory places a strong emphasis on quality improvement through performance measurement. Performance measures identify the results achieved and the benefits delivered to citizens and indicate how well government resources are being used.

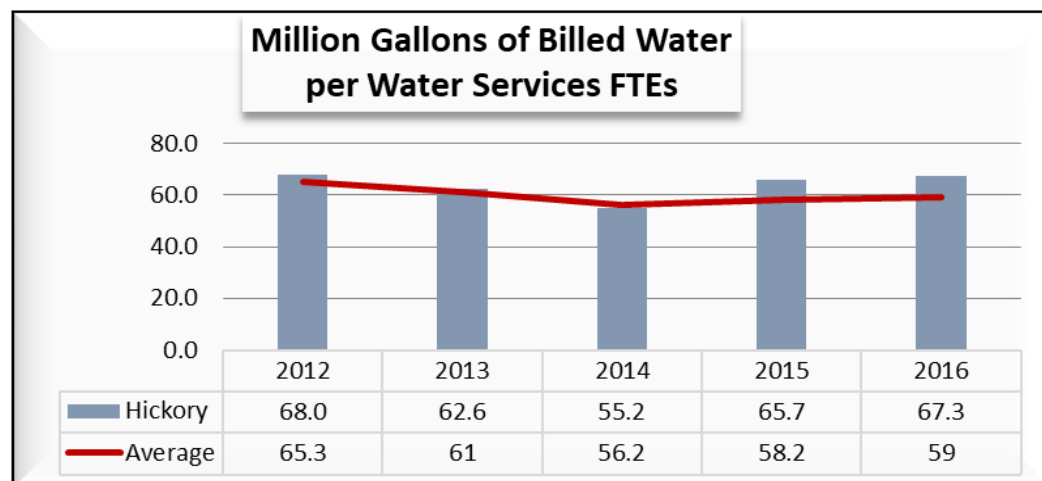
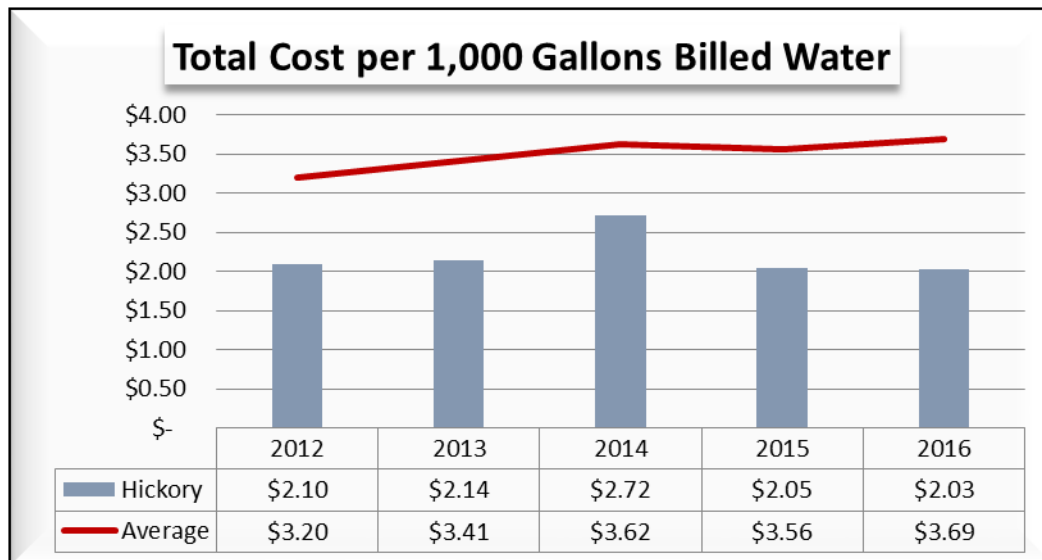
Since FY1998-1999 the City has participated in the North Carolina Local Government Performance Measurement Project (NCPMP). The primary purpose of the project is to develop a model that North Carolina cities can duplicate and use to support ongoing efforts in performance measurement and benchmarking. One of the greatest benefits of the project is the “Benchmarking Meetings,” which gives individuals responsible for overseeing the delivery of a particular service an opportunity to discuss how to be more efficient and effective.

The City of Hickory reports on the following service areas:

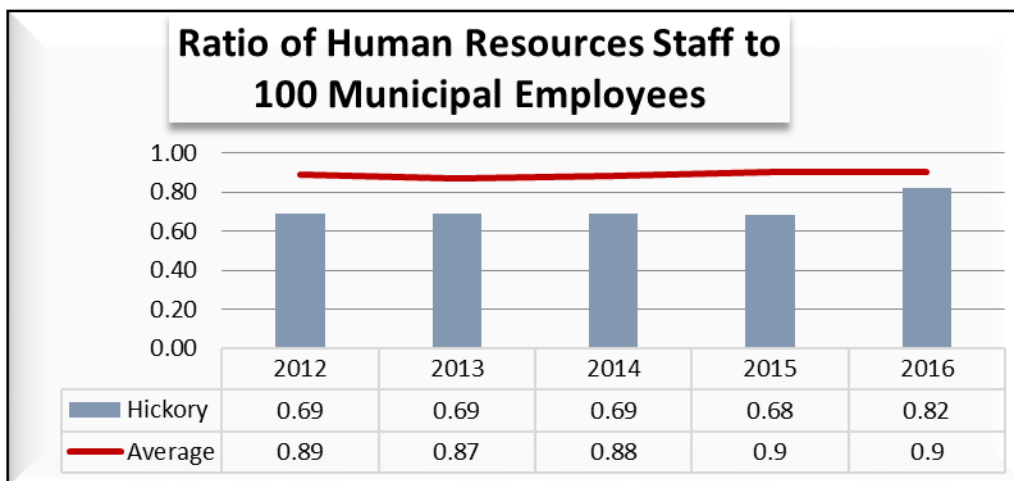
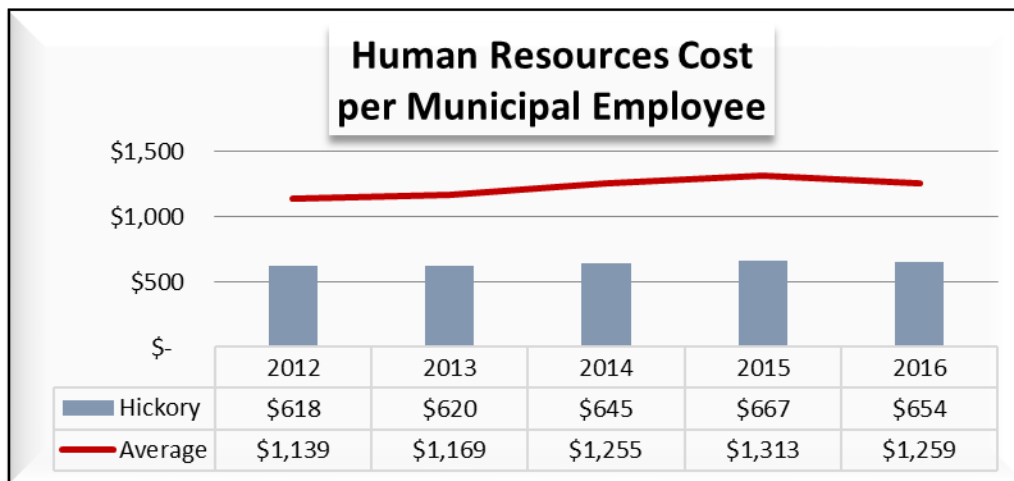
- Residential Refuse Collection
- Household Recycling
- Yard Waste & Leaf Collection
- Police Services
- Emergency Communications
- Asphalt Maintenance and Repair
- Fire Services
- Fleet Maintenance
- Central Human Resources
- Water Services
- Wastewater Services
- Core Parks and Recreation

Participants in the NCPMP include the cities of: Apex, Asheville, Burlington, Cary, Chapel Hill, Charlotte, Concord, Greensboro, Greenville, Hickory, High Point, Raleigh, Salisbury, Wilson and Winston-Salem. The following are the FY2014-2015 services measured and a sampling of the results.

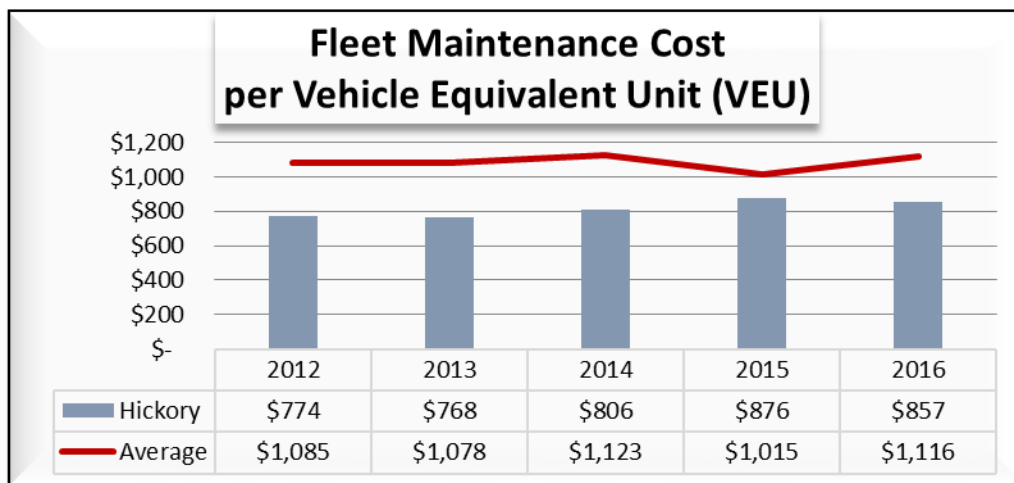
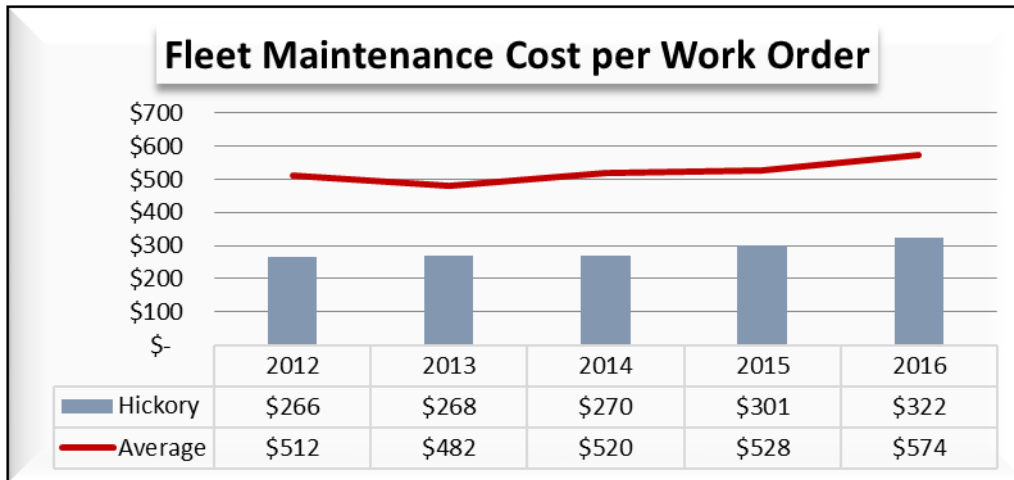
Water Services



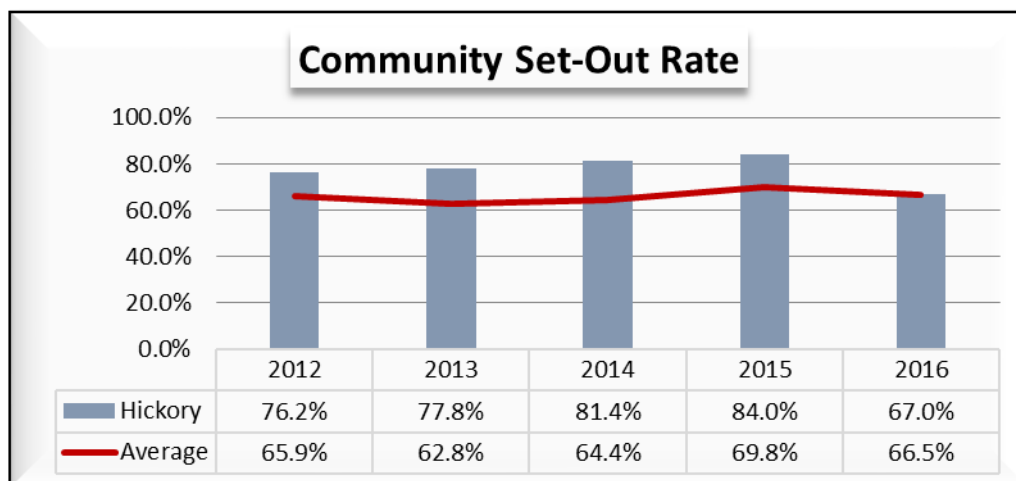
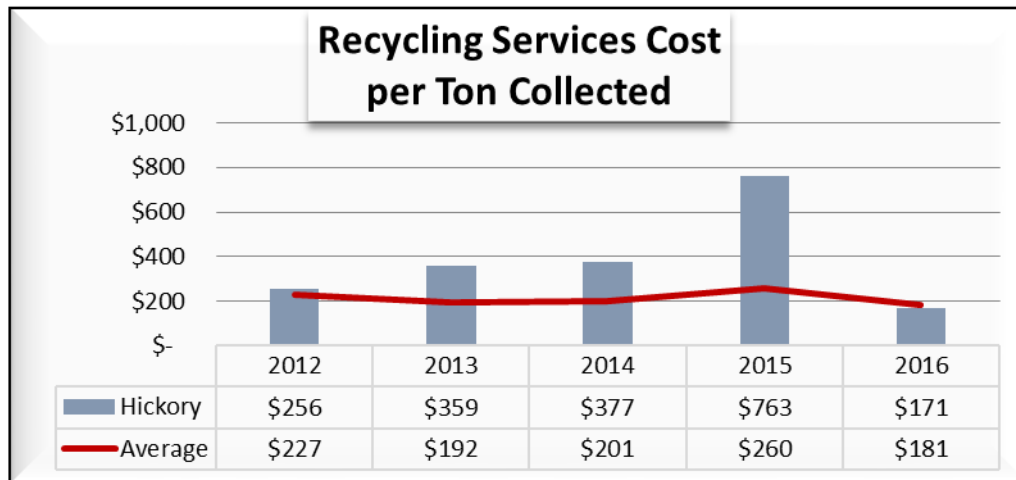
Human Resources



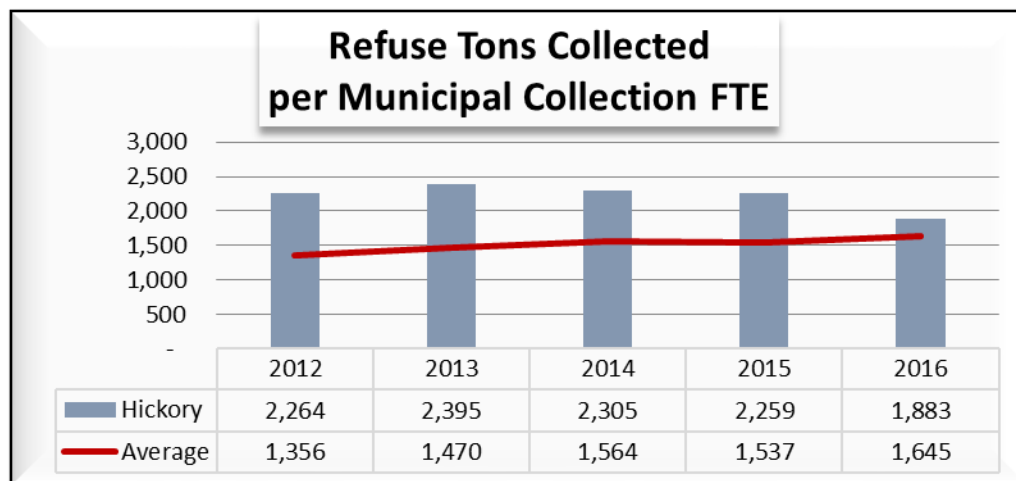
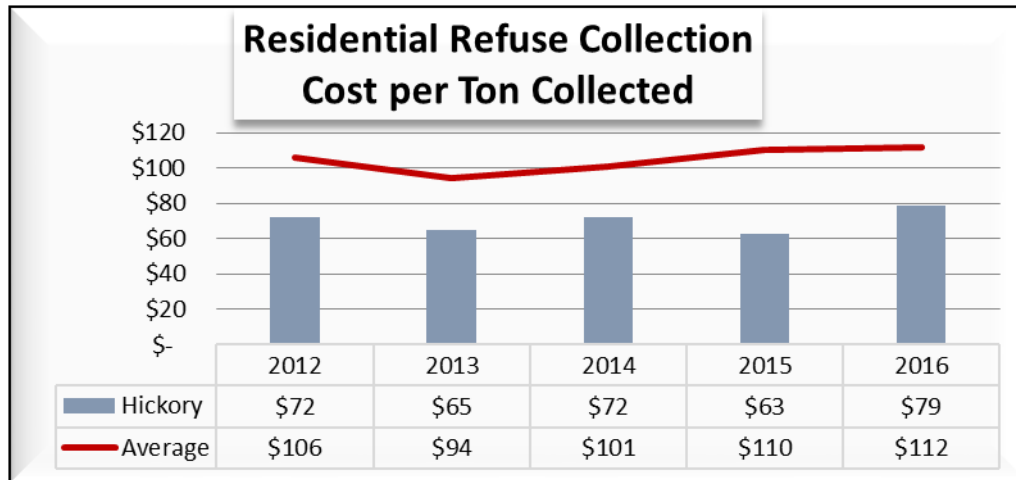
Fleet Maintenance



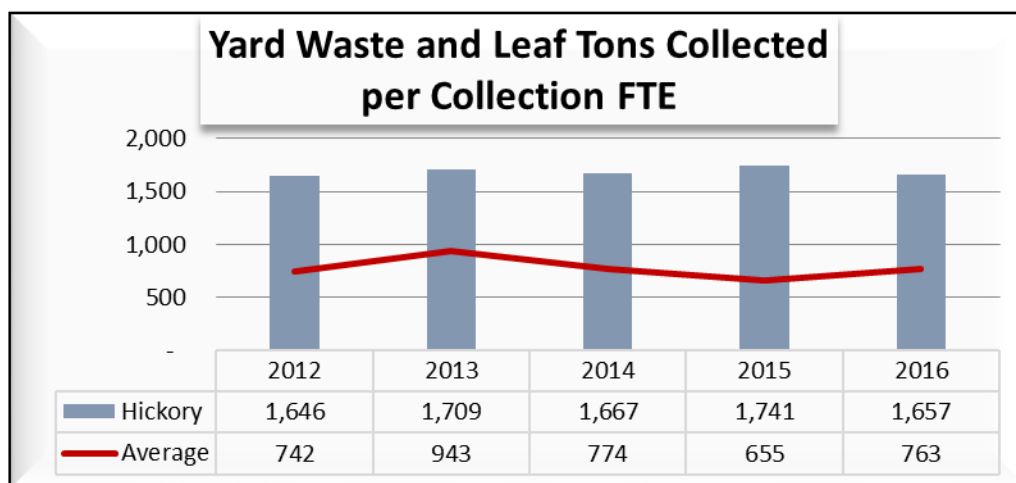
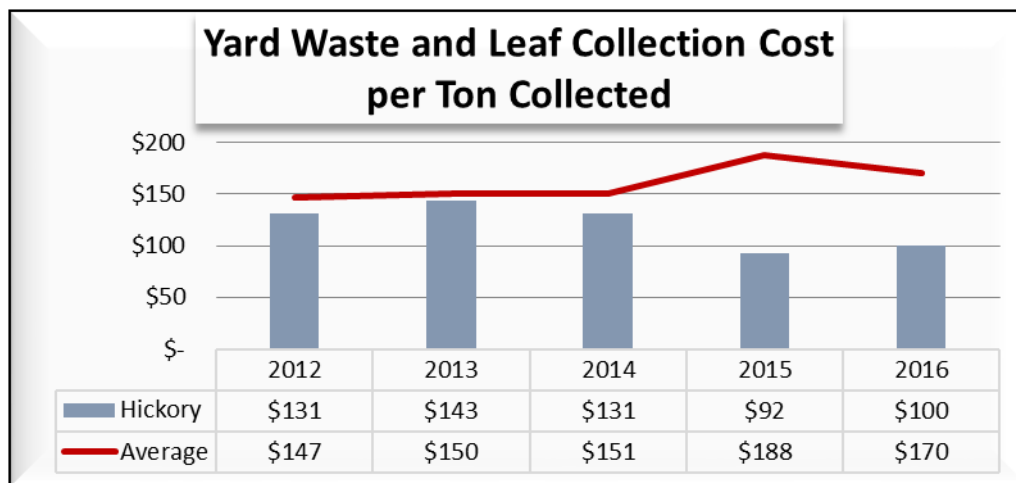
Household Recycling



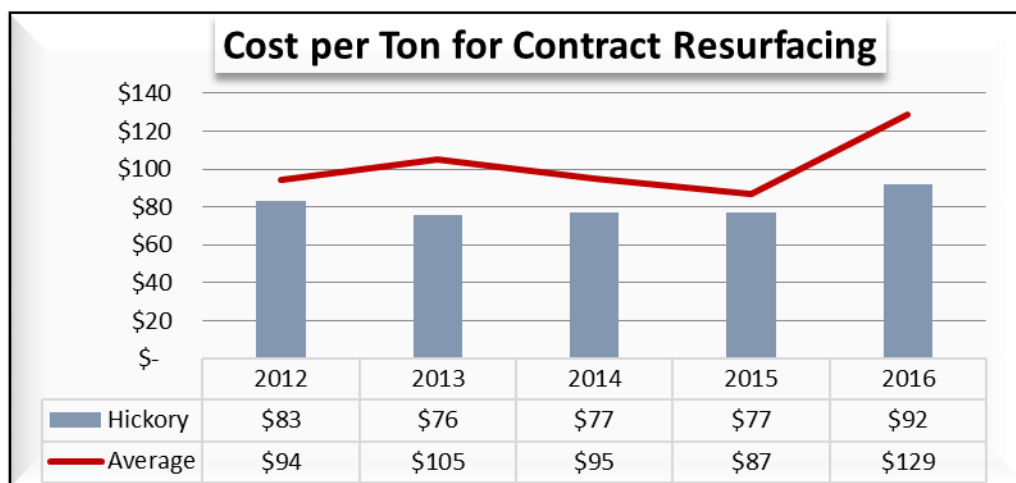
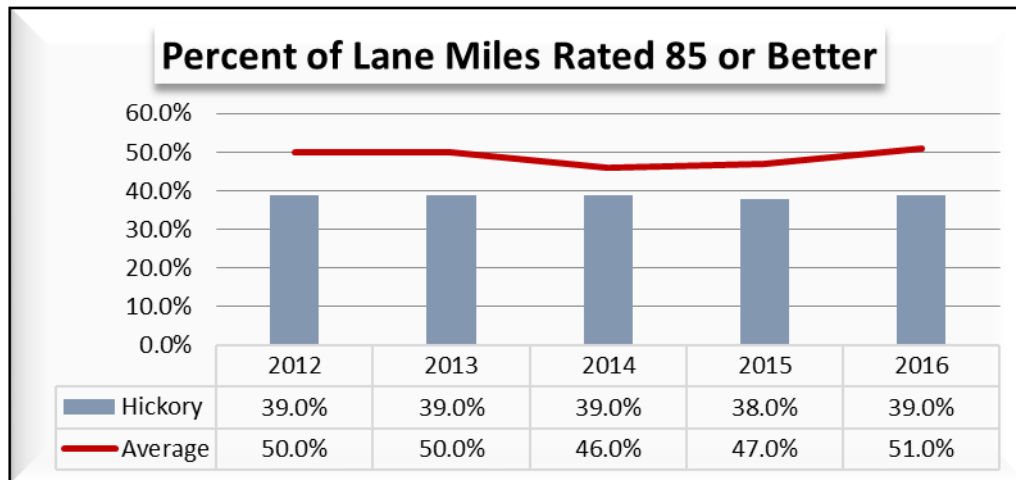
Residential Refuse Collection



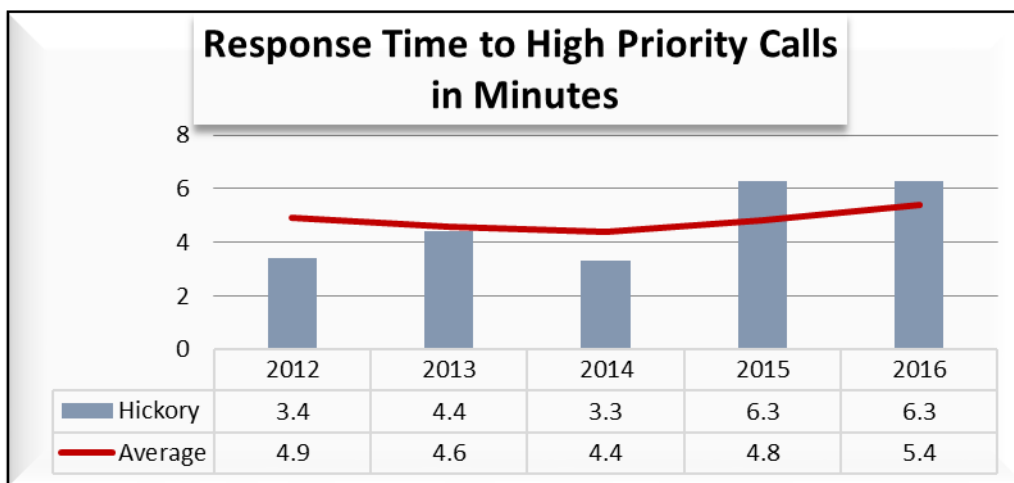
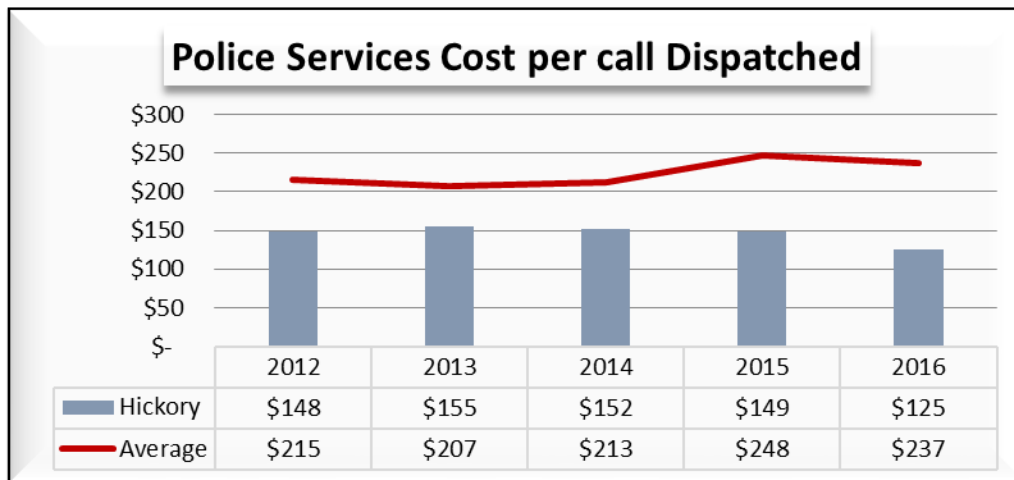
Yard Waste and Leaf Collection



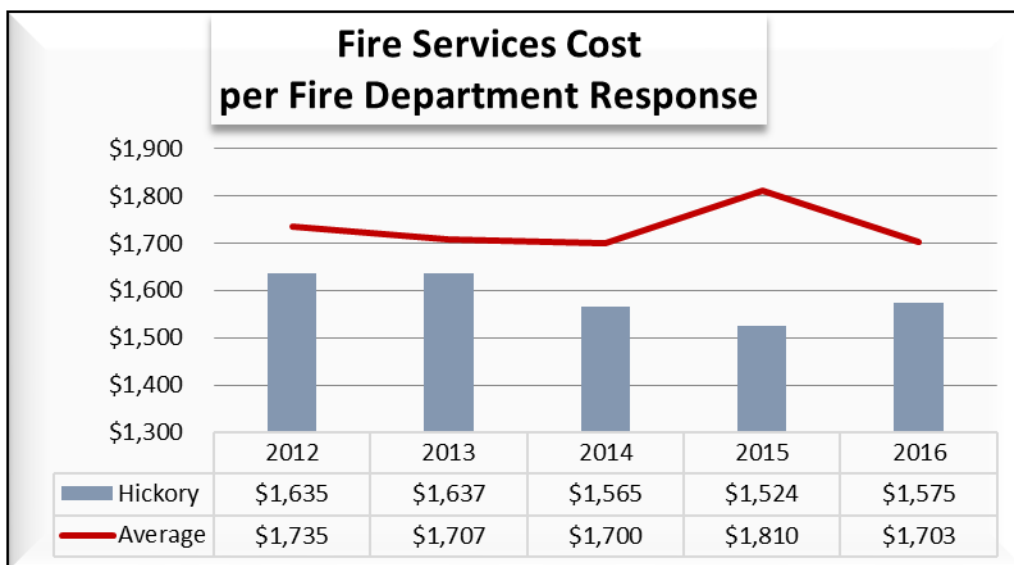
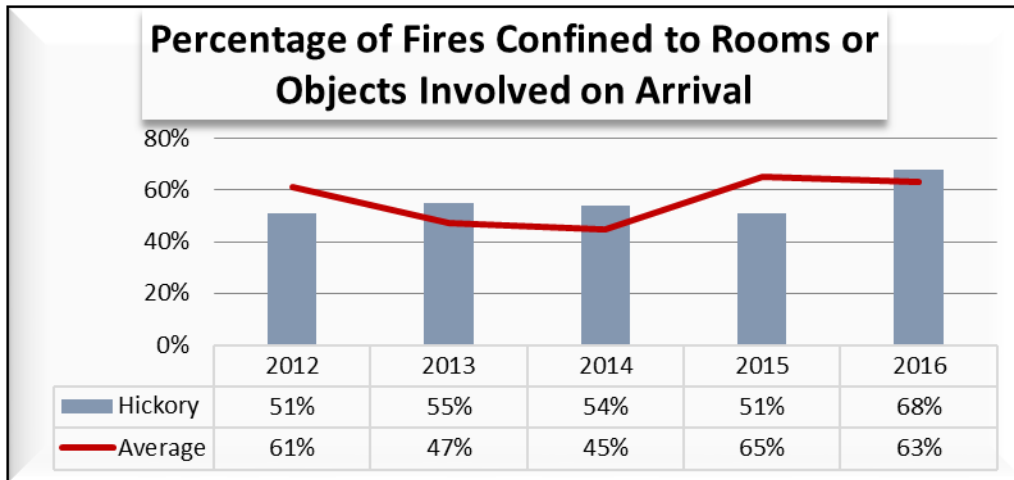
Asphalt Maintenance



Police Services



Fire Services



History

Hickory owes its early beginnings to Henry Weidner, a young German who came from Montgomery, Pennsylvania to find a new home in the South. After selecting a home site on the South Fork and Henry Rivers, he was careful to make the friendship of the Catawba Indians who had a settlement there. With his home thus established, in 1750 he married Katrina Mull and, with his brother-in-law Adam Mull, took out a land grant. The Weidner lands embraced thousands of acres. Several miles northwest of the Weidner home, at a point where the trails of the Cherokee and Catawba Indians crossed, a stagecoach turnpike was established which opened up the territory for transportation and communication.

Hickory cost 46 pounds in the King's money or \$128.80 in U.S. dollars for 360 acres located where Union Square and the Hickory Station Restaurant are located today. This same acreage was sold at public auction on May 8, 1798 in Lincoln County to Jesse Robinson, whose family deeded the property to the railroad and Hickory as a public common.



In 1846, William Hale opened a store at this stagecoach junction and established a post office under the name of Chestnut Oak. Henry Robinson, a descendant of Henry Weidner, built a tavern of logs there beneath a huge hickory tree during the 1850's. The inn was known as "Hickory Tavern."

The community of Hickory Tavern had its first Charter drawn on December 12, 1863; "Corporate limits to be one square mile, having its center the depot of Western North Carolina Railroad." Mileposts were erected in four directions (one still exists at Lenoir-Rhyne College). The legislature appointed judges to hold an election for town commissioners on the first Monday in January 1870. Thus, the Town of Hickory Tavern was established. The name was changed to the Town of Hickory by the 1873 legislature and to the City of Hickory by the 1889 legislature. Berryville was incorporated in 1895 and the name changed to West Hickory; Highland was incorporated in 1905. Both of these towns became part of the City of Hickory in 1931.

The first train operated in Hickory Tavern in 1859 opening up the area for further settlement. The first settler was Henry Link who bought the first lot in the Town of Hickory in 1858 for the sum of \$45. His house was known as The 1859 Café.

The first mayor of Hickory was Marcus Yoder who held court in his store on the west end of Union Square and used his warehouse for a "calaboose" (local jail).

The community of "Hickory Tavern" was one of the first towns in North Carolina to install electric lights in 1888 and also a water works and complete sewage system in 1904.

Another milepost in Hickory's history is the adoption of the Council-Manager form of government on March 17, 1913, becoming the first city in the state and the third city in the country to adopt the Council-Manager form of government.

Hickory has always been a very progressive and innovative city. Hickory has been known as the "Industrial Hub of Western North Carolina", "The City that does Things", and the "Best Balanced City". The entrepreneurial spirit of its citizens has been recognized nationally with Hickory being named an All-America City three times, in 1967, 1987, and 2007.

Supplementary Information

Demographic Information

With a population of 40,567 the City serves as a trade, distribution, communications and service center to approximately 364,870 people due to its location at the geographic center of a four-county region and its ready access to major transportation facilities. Historically, the City's economy was influenced by a significant concentration in the manufacturing trade; however, over the past several years this has shifted. Principal industries now include wholesale grocery, retail trade, communications, utilities, health care, textiles, real estate, and furniture.



The principal taxpayers for Hickory include Merchants Distributors Inc., Corning Cable Systems LLC, Duke Energy Corp., Valley Hills Mall LLC, American Med International, Tate Boulevard LLC, HSM Solutions, Shurtape Technologies, Inland Western Hickory-Catawba LLC, and Legends of Hickory LLC.

The City of Hickory provides access to many social and economic resources. Hickory offers extensive educational opportunities with two colleges in the area: Catawba Valley Community College (CVCC) and Lenoir-Rhyne University, a fully accredited liberal arts university affiliated with the North Carolina Evangelical Lutheran Church of America. In addition, the City is home to the Hickory Metro Higher Education Center.



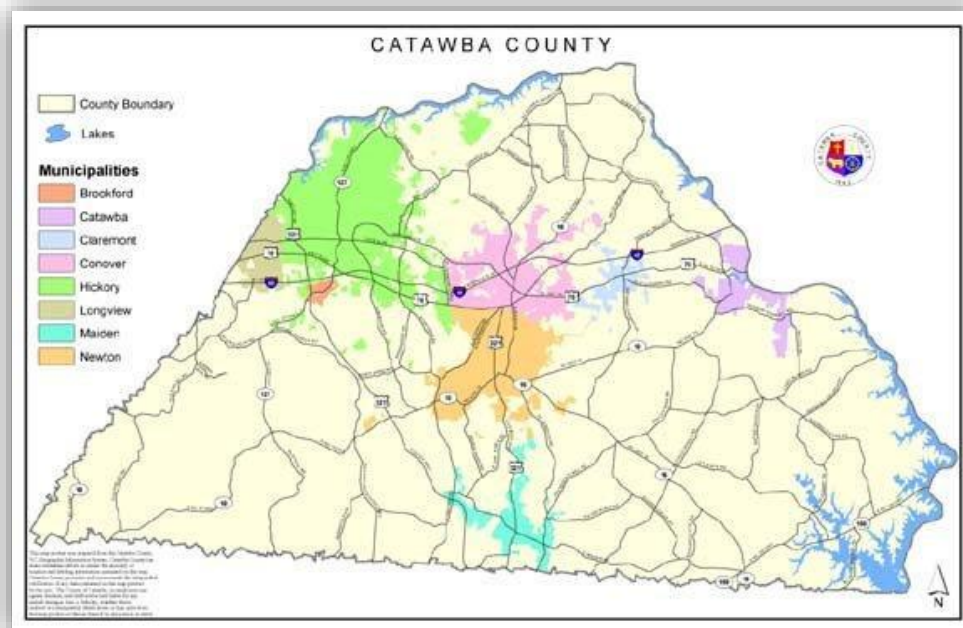
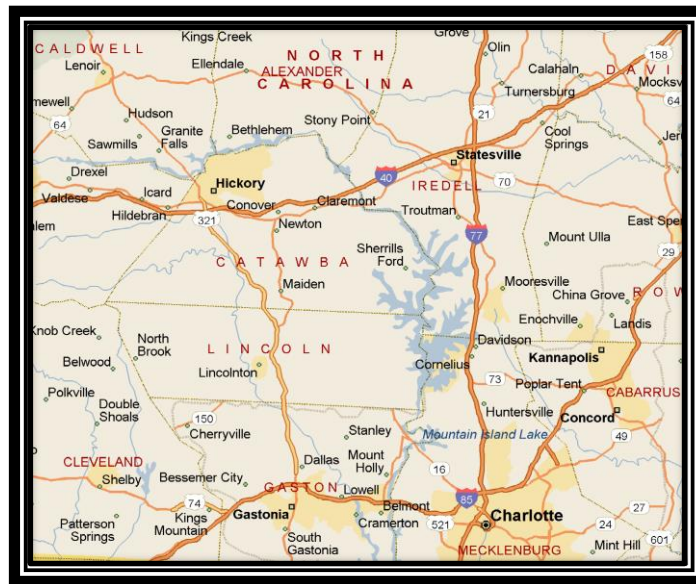
The citizens of Hickory and surrounding areas enjoy minor league baseball at L.P. Frans Stadium, home of the Hickory Crawdads.

The SALT Block (Sciences, Arts and Literature Together) provides wide-ranging cultural experiences for adults and children alike. Hickory also offers significant resources in visual and performing arts such as the Hickory Community Theater, its own regional symphony orchestra, and several historic sites and museums.

Supplementary Information

Geographic Characteristics

Located in North Carolina's Piedmont Region, Hickory is fifty miles northwest of Charlotte and eighty miles east of Asheville. Hickory is the geographic and economic center of North Carolina's fourth largest metropolitan statistical area. The City spans approximately 28 square miles and resides in the prime crescent of the Interstate 40 system. Citizens enjoy the recreational advantages of a setting that allows easy access to the Blue Ridge Mountains and the coastal areas of North and South Carolina.



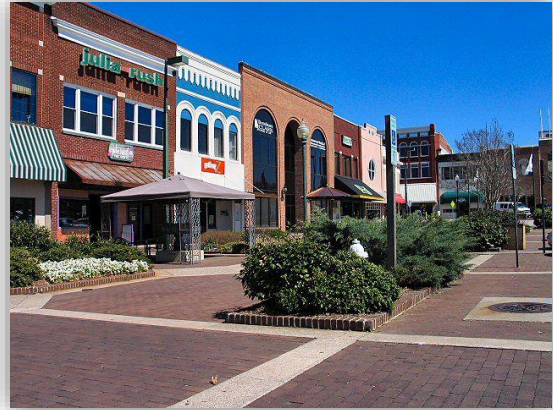
Supplementary Information

JURISDICTION	POPULATION (JULY 2016)	SIZE (SQUARE MILES)
City of Hickory	40,567	29.8
Catawba County	156,459	398.7

(Sources: Western Piedmont Council of Governments and US Census Estimates as of July 1, 2016; www.factfinder.census.gov)

MILESTONES IN HICKORY

1986	Opening of the Arts Center of Catawba Valley
1987	Hickory named "All America City" for the second time
1989	Construction begins on new US 321 Corridor
1992	Opening of 32 million gallons-per-day water plant
1993	First Baseball Game at Hickory's L.P. Frans Stadium
1996	Police Department moves to new state-of-the-art facility
1997	Hickory named "One of 10 Best Places to Live" by Reader's Digest Magazine
1997	Hickory ranked 189 out of 300 MSA's by Money Magazine (17-point improvement over 1996) Hickory ranked 16 th among medium-sized cities in the South as being "...the most livable place to live in the nation" by Money Magazine
1998	Hickory Public Library is named one of the five best in the nation by Gale Research and Library Journal
2000	Hickory Public Library is the first Public Library in North America to use "smart card" technology
2000	During the year 2000, the one-millionth person walked through the doors of the Hickory Public Libraries.
2001	City and county government officials announce the Hickory Metropolitan Higher Education Center, a collaboration of Lenoir-Rhyne College, Catawba Valley Community College (CVCC) and Appalachian State University. The announcement and signing of a collaborative agreement by the three higher education institutions culminated more than two years of discussions and planning.
2006	McDonald Parkway connector opens and is the 2.8 mile connector between Interstate 40 and Springs Road.
2007	Hickory named an "All-America City" for the third time
2007	North Carolina Center for Engineering Technologies begins classes. The City of Hickory was part of the coalition that helped bring Western North Carolina engineering courses to Hickory.
2008	Hickory will begin a \$25 million upgrade of the Northeast Wastewater Treatment Plant.
2010	North Carolina Department of Transportation completed the Lenoir-Rhyne Boulevard project.
2012	Hickory gained ownership of the Fixed Based Operator (FBO) at the Hickory Regional Airport.
2014	Voters of Hickory overwhelming approved the \$15 and \$25 million dollar Hickory Bond Referendum in November 2014. These bonds will be used for various projects throughout the city including Business Park 1764, Riverwalk, City Walk and improving all of the City's major roads and gateways.



City of Hickory Awards and Recognitions

All-America City Award
National Civic League
1967, 1987, 2007

10 Best Places to Raise a Family Reader's Digest

All-America City
National Civic League
Three times Awarded, Four times finalist

One of the top 300 "Best Places to Live" in the United States
Money Magazine Annual Survey

One of the top 20 "Most Entrepreneurial Cities in America"
Incorporated Magazine

An "economic success story" Federal Reserve Bank of Richmond

"A reputation for fiscal soundness"
North Carolina Securities Advisory Commission

"Affordable Cost of Living"
American Chamber of Commerce Researchers Association

"5th Best Small Town in the Country for Manufacturing"
Outlook Americas Magazine

"7th in the United States as an Entrepreneurial Hotspot"
Nations Business Magazine

"7th Best Small Metro Area to Start a Business"
Cogentics Research

"8th Best World-Class Community"
Industry Week

"Hickory is Booming"
Wall Street Journal

"8th Best Quality of Life in North Carolina"
Business North Carolina

Supplementary Information



Distinguished Budget Presentation Award
Government Finance Officers Association
1994-1995 through 2016-2017

Certificate of Achievement for Excellence in Financial Reporting
Government Finance Officers Association
1995-1996 through 2015-2016

Certificate of Safety Achievement
North Carolina Department of Labor

One of 12 Parks & Recreation Departments chosen to participate
in the national "Hearts 'N Parks" Program National Recreation and Parks Association

North Carolina Governor's Business Award
Awarded to the SALT Block

One of top 5 finalists for "Library of the Year"
Library Journal and the Gale Corporation

Named as a model city for the Composer in Residence award
Meet the Composer Foundation

Finalist – Computerworld/Smithsonian Innovative Technology Award
For the Hickory Library Smart Card System

National "Learn Not to Burn" Champion
National Fire Protection Association

Operation Life Safety Award
International Association of Fire Chiefs/National Sprinkler Association

Award of Excellence in Fire and Life Safety
North Carolina Fire Education Board
Risk Watch Champion program site
National Fire Protection Association

Best Dressed Police Department in the Nation
National Uniform Manufacturers Association

Web site ranks Hickory among top U.S. Hometowns
Web company ePodunk Inc. Ranks Hickory Second in the top ten list for towns

Digital Government Award of Excellence
Web Site of Distinction

Supplementary Information



Hickory received Tree City USA award 2005, 2006, 2007

Hickory designated as a North Carolina Main Street
Community by the North Carolina Department of Commerce 2006

The Friends of Hickory Public Library received the Volunteer of the Year Award (West Central District) for
“Exemplary Service and Dedication to the Friends of Hickory Public Library” to Mary Ann Crane in 2008
and to Paula Finnegan in 2009

Hickory was a Best Tennis Town finalist-2009

Hickory’s Parks and Recreation Department was named Playful City USA 2011 and 2012

North Carolina City County Communications (NC3C) Awards 2009

Hickory received the 2010 “BELIEF” Award from Champions of Education

Hickory received the 2010 ICMA Community Sustainability Award for
“Operation No Vacancy”

2011 Excellence in Communications
1st Place Printed Publications - Annual Report
1st Place Special Events - International Springfest
1st Place Communication Technology - Website

Hickory earned the prestigious Playful City USA 2011 award from KaBOOM

Hickory Public Library received the Outstanding Children’s and Family Program Award (Medium Size
Library) for the 2011 Summer Reading Program “*Where in the World is Lucy*” from the North Carolina
Public Library Directors Association.

The Friends of Hickory Public Library received the Frances B. Reid Award for Outstanding Service to the
Library and Community: 2004, 2006 and 2011

Hickory Human Resources received the 2012 “Healthiest Employer Award”

In June 2012, The City of Hickory Fire Department was recognized for two prestigious awards, the “Pro
Patria Award” and the “Freedom Award”. The City of Hickory was chosen from across the state of North
Carolina as the best supporter in the Government category. From that award, they were then submitted to
represent North Carolina for the national award in September. The City of Hickory was chosen as one of
the top 10% of employers who hire Guardsmen and Reservist in North Carolina. The selection was based
on information supplied by Hickory Senior Firefighter Patrick Auton, who served in Iraq in 2010 for four
months. Patrick also served in 2004 for one year and two weeks.

Excellence in Communication Citizen Participation First Place Award for the Zahra Baker All Children’s
Playground community build and fundraising campaign.

Supplementary Information



Excellence in Communication Special Events First Place Award for the Zahra Baker All Children's Playground ribbon cutting and dedication event.

Excellence in Communication Most Creative Project with the Least Amount of Funds First Place Award for the Catawba Communities show that airs on Charter's Government Channel (this was a joint award with Catawba County).

Hickory Public Library was selected to be among the first institutions in the country to take part in the Edge Initiative, a ground-breaking, national initiative that provides libraries with new strategies and tools to help achieve community priorities through enhanced technology.

Hickory Public Library received an income distribution of almost \$40,000 from the library's five endowment funds for the first time since 2009.

Sarah Nelson was awarded 2013 Civilian of the Year
North Carolina Gang Investigators Association

Street Crimes Interdiction Unit was awarded 2013 Gang Unit of the Year
North Carolina Gang Investigators Association

The Hickory Fire Department was nominated and received the 2014 "Giving from the Heart" Volunteer Award for their work benefitting the Catawba County Christmas Bureau

Rich Jenkins, Hickory Firefighter, received the 2015 Dedicated Service Award
Western North Carolina Association of Firefighters

Tamara Faulkner awarded the 2015 Paralibrarian of the Year
Library Journal

Hickory Public Library received a \$20,160 grant to develop a new strategic plan for 2015-2018. Grant funds came from the Institute of Museum and Library Services, under the provisions of the federal Library Services and Technology Act, as administered by the State Library of North Carolina, a division of the Department of Cultural Resources

Hickory Public Library received an income distribution of \$43,530
Library's Endowment Fund administered by the North Carolina Community Foundation 2015

Hickory Police Department received the Safe Kids Certificate of Appreciation 2015

Police Chief Tom Adkins awarded the 2015 Bill Dalton Unsung Hero Award
Special Olympics

The Zahra Baker All Children's Playground at Kiwanis Park received the Macaroni Kid of Hickory/Western Piedmont's 2015 Gold Daisy Award for Favorite Outdoor Place

Supplementary Information



Assistant City Manager Andrea Surratt awarded 2015 Assistant Manager of the Year
North Carolina City County Managers Association (NCCCMA)

Communications and Marketing Manager, Dana Kaminske was elected as the Vice President
NC3C (North Carolina City County Communicators)

Lisa Drum was awarded the 2015 Authur J. Barnett Planner of the Year
International Association of Law Enforcement Planners

Friends of the Library board member Lucy Kearns recognized as 2015 Volunteer of the Year
Friends of North Carolina Public Libraries

Hickory Public Library received an award for Best Program 2016
North Carolina Public Library Directors Association

City of Hickory was awarded the 2016 Silver WellBusiness Award
Catawba County Cancer Task Force

Staff Attorney, Arnita Dula, was awarded the 2016 Citizen-Lawyer Award
North Carolina Bar Association

Supplementary Information



Hickory's Tax Base by Type (FY2016-2017) Estimated through June 2017

Type	Catawba	Burke	Caldwell	Total
Real	\$3,533,372,917	\$10,489,141	\$ 76,667,590	\$3,620,529,648
Personal	834,350,313	28,329,789	22,064,261	884,744,363
Public Services	99,786,832	434,021	16,330,474	116,551,327
TOTAL	\$4,467,510,062	\$39,252,951	\$115,062,325	\$4,621,825,338

HICKORY METRO AREA WATER & SEWER RATE COMPARISONS

City/County	Water Rate per 5,000 Gallons	Sewer Rate per 5,000 Gallons	Total
Burke County	\$ 43.00	\$ 47.00	\$ 90.00
City of Conover	\$ 20.80	\$ 27.06	\$ 47.86
City of Newton	\$ 30.88	\$ 40.73	\$ 71.61
Town of Taylorsville	\$ 32.15	\$ 32.15	\$ 64.30
Average	\$ 31.71	\$ 36.74	\$ 68.44
City of Hickory	\$ 23.04	\$ 29.70	\$ 52.74 Current

Utilities

Sewer Lines (miles)	499
Water Lines (miles)	937
Finished Water (gal/day)	11.14 MGD

Water/Sewer Service Connections

Residential	34,825
Commercial	4,909
Total	39,734

Supplementary Information



TEN LARGEST WATER USERS In Gallons July 1, 2014 – June 30, 2015

CITY OF HICKORY TEN LARGEST WATER USERS JULY 2015 - JUNE 2016

	CUSTOMERS	CUBIC FEET	GALLONS	REVENUE
1	CONOVER, CITY OF	89,886,052	672,347,669	\$ 490,436.13
2	MAIDEN, TOWN OF	49,543,000	370,581,640	\$ 387,087.64
3	LONGVIEW, TOWN OF	35,521,283	265,699,196	\$ 306,153.04
4	ICARD TOWNSHIP WATER CORP	19,157,831	143,300,576	\$ 177,715.20
5	APPLE	10,521,001	78,697,087	\$ 257,633.62
6	ALEXANDER CORR INST (PRISON)	7,540,020	56,399,350	\$ 234,848.89
7	CATAWBA VALLEY MEDICAL CENTER	4,358,664	32,602,807	\$ 70,298.67
8	FRYE REGIONAL MEDICAL CENTER	3,507,785	26,238,232	\$ 48,195.99
9	LENOIR RHYNE UNIVERSITY	3,477,923	26,014,864	\$ 72,008.51
10	MDI	2,887,721	21,600,150	\$ 43,412.50
		226,401,280	1,693,481,571	\$ 2,087,790.19

CITY OF HICKORY TEN LARGEST SEWER USERS JULY 2015 - JUNE 2016

	CUSTOMERS	CUBIC FEET	GALLONS	REVENUE
1	LONGVIEW, TOWN OF	20,811,305	155,668,560	\$337,800.77
2	BURKE COUNTY	16,008,422	119,743,000	\$259,942.31
3	CATAWBA VALLEY MEDICAL CENTER	4,332,834	32,409,598	\$113,328.39
4	LENOIR RHYNE UNIVERSITY	3,019,785	22,587,992	\$93,842.35
5	MDI	2,827,734	21,151,450	\$66,678.80
6	FRYE REGIONAL MEDICAL CENTER	2,623,317	19,622,411	\$65,254.32
7	TARLTON, JAMES V JR	2,243,950	16,784,746	\$52,576.98
8	PUBLIC HOUSING AUTHORITY	2,194,360	16,413,813	\$69,997.01
9	SHURTAPE TECH	1,814,810	13,574,779	\$52,030.95
10	LUTHERAN HOMES / TRINITY RIDGE	1,791,143	13,397,750	\$49,139.89
		57,667,660	431,354,099	\$ 1,160,591.77

Top Ten Amazing Facts about the City of Hickory



1. Hickory Life. Well Crafted. Brand campaign and message is six years old.
2. Hickory Police Department raised over \$17,000 for Special Olympics North Carolina during the 2015-2016 fiscal year.
3. Existing Harris Radio system has been accepted onto the North Carolina State VIPER (Voice Interoperability Plan for Emergency Responders) System. Giving the department the ability to communicate with agencies throughout the State in the event of a mutual aid emergency situation.
4. The Planning Department issued 208 residential zoning permits and 499 commercial zoning permits for a total of 707 zoning permits.
5. The Library presented 1,092 public programs. There were 374,194 visits to the library facilities. Patrons checked out 385,298 items.
6. The Solid Waste Department implemented a Single Stream Recycling program that increased the tonnage of recycled material picked up at the curb by 92% over the previous year. The whole recycling program diverted over 17,218 tons of material from the landfill.
7. During the Fiscal Year 2015-2016, the Development Assistance Center received 105 Special Event Permits.
8. The City of Hickory is responsible for the maintenance of 550 miles of sewer lines which is equivalent to the drive from Murphy, NC to Manteo, NC.
9. Landscape Services planted 3,200 annuals throughout the City and 2,000 other perennials, shrubs, and trees.
10. Landscape crews used 17 rolls of weed eater string this year, which is roughly 2+ miles.

Supplementary Information



City of Hickory Pay Plan July 1, 2017

GRADE	POSITION	MINIMUM	MIDPOINT	MAXIMUM
8	Maintenance Worker I Parking Enforcement Officer	\$26,074.82	\$32,593.52	\$39,112.22
9	Airport Customer Service Representative Customer Service Representative I Fleet Vehicle Service Technician Library Assistant I Maintenance Worker II Meter Reader Police Records Clerk Transfer Station Operator	\$27,394.86	\$34,243.57	\$41,092.28
10	Administrative Technician Animal Control Officer Construction Worker Customer Service Representative II Electrician Apprentice Equipment Operator Groundskeeper Horticultural Technician Park Supervisor PS Dispatcher	\$28,781.71	\$35,977.15	\$43,172.58
11	Airport Line Technician Brick Mason Heavy Equipment Operator Meter Mechanic Police Telecommunicator Utilities Warehouse Coordinator Utility Locate Technician	\$30,238.78	\$37,798.49	\$45,358.19
12	Accounting Technician Administrative Assistant CAD Operator I Central Services Coordinator Central Warehouse Coordinator Community Development Technician Crew Leader Human Resources Assistant Laboratory Technician I Library Maintenance Coordinator Library Technician Maintenance Mechanic Mechanic I	\$31,769.64	\$39,712.03	\$47,654.45

Supplementary Information



	Parts Specialist			
	Planning Technician			
	Pretreatment Technician			
	Public Utilities Technician			
	Purchasing Technician			
	Senior Customer Service Representative			
	Wastewater Treatment Plant Operator I			
	Water Treatment Plant Operator I			
13	Firefighter	\$33,377.97	\$41,722.46	\$50,066.94
	Recreation Programmer			
	Senior Groundskeeper			
	Wastewater Treatment Plant Operator II			
	Water Treatment Plant Operator II			
14	Administrative Services Budget Coordinator	\$35,067.72	\$43,834.66	\$52,601.59
	CAD Operator II			
	Cemetery Sexton			
	Circulation Supervisor			
	Electrician			
	Fire Education Assistant			
	Fire Mechanic			
	IT Tech I			
	Horticulturist			
	Laboratory Technician II			
	Library Associate			
	Library Outreach Coordinator			
	Maintenance Mechanic Crew Leader			
	Mechanic II			
	Police Budget Coordinator			
	Police Officer			
	Police Victim & Community Service Coordinator			
	Wastewater Treatment Plant Operator III			
	Water Treatment Plant Operator III			
	Zoning Enforcement Officer			
15	City Arborist	\$36,843.03	\$46,053.79	\$55,264.55
	Police Communications Supervisor			
	Public Utilities Specialist			
	Senior Firefighter			
16	Accountant	\$38,708.21	\$48,385.26	\$58,062.31
	Chemist			
	Code Enforcement Officer			
	Electrical Supervisor			
	Executive Assistant			
	Fire Apparatus Operator			
	Fire Maintenance Supervisor			
	Paralegal			
	Senior Laboratory Technician			

Supplementary Information



	Senior Recreation Programmer			
	Senior Wastewater Treatment Plant Operator			
	Senior Water Treatment Plant Operator			
	Traffic Signal / Radio Operator			
17	Airport Operations Supervisor	\$40,667.82	\$50,834.77	\$61,001.71
	Assistant Parks Maintenance Supervisor			
	Fire Education Coordinator			
	Fire Prevention Inspector			
	Landscape Services Supervisor			
	Master Police Officer			
	Meter Operations Supervisor			
	Police Crime Analyst			
	Police Digital Forensic Evidence Technician			
	Police Gang Intelligence Crime Analyst			
	Police Gang of One Coordinator			
	Reference Librarian			
	Senior Code Enforcement Officer			
	Solid Waste Supervisor			
	Utilities Supervisor			
18	Fleet Maintenance Supervisor	\$42,726.63	\$53,408.27	\$64,089.93
	Grants and Projects Coordinator			
	Planner			
	Senior Accountant			
	Senior Fire Prevention Inspector			
	Senior Land Surveyor			
	Street Maintenance Supervisor			
	Traffic Signal System Operator			
	Utilities Inspector/Plan Reviewer			
19	Budget Analyst	\$44,889.65	\$56,112.06	\$67,334.49
	Code Enforcement Supervisor			
	Fire Captain			
	Human Resources Analyst			
	Library Branch Manager			
	Occupational Health Nurse			
	Police Sergeant			
	Pretreatment Coordinator			
	Recreation Supervisor			
	Senior Planner			
	Systems Analyst			
20	Billing and Collections Manager	\$47,162.19	\$58,952.74	\$70,743.28
	Building Maintenance Manager			
	Communications Specialist / Policy Analyst			
	Civil Engineer I			
	Fire Battalion Captain			
	Parks Maintenance Supervisor			
	Purchasing Manager			

Supplementary Information



	Wastewater Treatment Plant Superintendent			
	Water Treatment Plant Superintendent			
21	City Clerk	\$52,058.24	\$65,072.80	\$78,087.35
	Civil Engineer II			
	Collections Manager			
	Community Development Manager			
	Deputy Finance Officer			
	Fire Battalion Chief			
	Fleet Manager			
	Landscape Services Manager			
	Library Head of Reference and Tech Services			
	Library Head of Youth Services			
	Planning Manager			
	Network Architect			
	Police Lieutenant			
	Risk Manager			
	Senior Systems Analyst			
	Solid Waste Manager			
	Street Maintenance Manager			
22	Assistant Parks & Recreation Director	\$57,462.54	\$71,828.18	\$86,193.83
	Environmental Manager			
	Infrastructure Manager			
	Police Captain			
	Senior Civil Engineer			
	Transportation Manager			
23	Airport Manager	\$63,427.91	\$79,284.89	\$95,141.86
	Communications & Marketing Manager			
	Deputy Fire Chief			
	Finance Officer			
	Government Affairs Manager			
	Information Technology Manager			
24	Assistant Public Services Director	\$70,012.55	\$87,515.67	\$105,018.81
	Deputy Chief of Police			
25	Deputy Attorney	\$70,638.38	\$98,868.52	\$127,955.21
	Fire Chief			
	Human Resources Director			
	Library Director			
	Parks and Recreation Director			
	Planning Director			
	Police Chief			
	Public Services Director			
27	Assistant City Manager	\$94,159.08	\$117,698.85	\$141,238.62

Budget Glossary



Accrual - The accounting method under which revenues are recognized on the income statement when they are earned rather than when the cash is received.

Activity - Departmental efforts which contribute to the achievement of a specific set of program outcomes; the smallest unit of the program budget.

Allocate - To set apart portions of budgeted expenditures and/or revenues which are specifically designated to organizations for special activities or purposes.

ADA - This is the commonly used acronym for the Americans with Disabilities Act.

Ad Valorem Taxes - Revenue accounts showing taxes paid on real property and personal property, to include property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue. Generally, *Ad Valorem Taxes* are those levied in proportion to the value of a property.

Annual Budget - A spending plan covering a single fiscal year.

Appropriation - A funding authorization granted by the City Council to make budgeted expenditures and to incur obligations for purposes specified in the budget ordinance.

Assessed Valuation - The value of real estate or personal property as determined by tax assessors and used as a basis for levying taxes.

Assessment - The process for determining values of real and personal property for taxation purposes.

Authorized Bond - Bonds which have been legally approved but may or may not have been sold.

Balanced Budget - An annual spending plan characterized by an equal (i.e. "balanced") amount of anticipated revenues and expenditures. In North Carolina, the statutes require that the adopted budget be in balance.

Basis of Accounting - A term used to refer to when revenues, expenditures, expenses, and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements. The City of Hickory uses the modified accrual basis of accounting for budget preparation, as required by the North Carolina Local Government Budget and Fiscal Control Act.

Bond - A written promise to pay a specific amount of money with interest within a specific time period, usually long-term. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets, and bridges.

Budget Glossary

Bond Anticipation Notes (BANs) - Short-term interest-bearing notes issued by the City in anticipation of bonds which are issued at a later date. The notes are retired from proceeds of the bond issue to which they are related.

Bond Issued – Bonds that are sold.

Bond Rating – A grade indicating a governmental unit's investment qualities. Generally speaking, the higher the bond rating, the more favorable the interest rate and the lower the cost of financing capital projects funded by bonds. A high rating is indicative of a Governmental unit's strong financial position. Ratings range from AAA (highest) to D (lowest).

Budget - A statement in dollar terms of the City's program of service delivery for the ensuing fiscal year.

Budget Amendment - A legal procedure utilized by the City staff and the City Council to revise a budget appropriation.

Budget Calendar - The schedule of key dates that the City's departments follow in the preparation, adoption and administration of the budget.

Budget Document - A formal document presented to the City Council containing the City's detailed financial plan for a fiscal year.

Budget Message - The opening section of the budget that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the views and recommendations of the City Manager.

Budget Ordinance - The official enactment by the City Council to establish legal authority for City officials to obligate and expend resources.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

CAFR - The acronym used for Comprehensive Annual Financial Report.

Capital Assets - Land, buildings, permanent improvements, machinery, large tools, rolling and stationary equipment with a value of \$5,000 or more.

Capital Improvement Plan - A long term plan of proposed improvement projects which includes estimated project costs and funding sources that the City expects to undertake within a five year period to acquire or construct capital assets. The plan is updated annually to reassess capital needs.

Capital Outlays - An expenditure expected to have a useful life greater than three years or an estimated total cost of \$5,000 or more. This involves the construction, purchase, or major

Budget Glossary



renovation of a building or the purchase of land, as well as the acquisition of vehicles and equipment.

Capital Reserve - An account used to indicate that a portion of a fund's balance is legally restricted for a specific capital purpose and is, therefore, not available for general appropriation.

Cash Management - The management of cash necessary to pay for governmental services, while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing, and maintaining banking relationships.

Category - A consolidation of expenditures to measure personnel, operations, capital, contingency, special appropriations, debt service, transfers, and pro rata administrative services activities.

CDB - The acronym used for the Central Business District

CDBG - The acronym used for Community Block Grant Fund

City Council - Five-member Governing Board elected by the voters of the City for four year terms.

CIP - The acronym used for Capital Improvement Plan

Classification - Assignment of a position title and an associated pay range based on the job skills required for a particular position.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CPI - The acronym used for Consumer Price Index

CVB - The acronym used for Convention Visitors Bureau

DAC - The acronym used for Development Assistance Center

Debt Service - The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

Delinquent Taxes - Taxes that remain unpaid after the due date on which a penalty for nonpayment is incurred.

Department - A major administrative division of the City that has overall management responsibility for an operation within a functional area.

Budget Glossary



Depreciation - The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset that cannot or will not be restored by repair and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.

Development Assistance Center (DAC) - A division of the Planning Department, the Development Assistance Center provides same day issuance of the purpose of acquiring conventional single family dwelling permits.

Disbursement - Payment for goods and services in cash or by check.

Earmark - To designate funds for a specific use.

EDC - The acronym used for Economic Development Corporation

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds is to set aside, or commit funds for future expenditures. A financial commitment for services, contracts, or goods that have not as yet been delivered or performed.

Enterprise Fund - A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for the services are established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise funds in Hickory are established for services such as water and sewer, sludge composting, and solid waste and recycling services.

EPA - The acronym used for Environmental Protection Agency

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year. The amount of revenue appropriated is the amount approved by the City Council in the annual budget.

ETJ - The acronym used for Extra Territorial Jurisdiction.

Expenditure - The outflow of funds for assets that are incurred, or goods and services obtained, regardless of when the expense is actually paid. This term applies to all funds.

Expenses - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest and other charges.

Fiscal Policy - The financial plan embracing the general goals and acceptable procedures of a governmental unit.

Fiscal Year - The time period designating the beginning and ending period for recording financial transactions. The City of Hickory's fiscal year begins July 1st and ends on the following June 30th. Budgeting is carried out on a fiscal year schedule.

Budget Glossary



Fixed Assets - Assets of long-term character which are intended to continue to be held or used by the City, including land, buildings, machinery, furniture and other equipment.

FTE - The acronym used for “full-time equivalent” when considering both the number and cost of Human Resource personnel as applicable to city services.

Function - A group of related programs crossing organizational (departmental) boundaries and aimed at accomplishing a broad goal, or a major service.

Fund - An accounting entity that possesses a set of self-balancing accounts and records all financial transactions for specific activities or government functions.

Fund Balance - Fund balance is the amount of assets in excess of the liabilities appropriated for expenditure, and is therefore also known as surplus funds. North Carolina statutes dictate that a portion of fund balance should be retained and not made available for appropriation in the following fiscal year.

Fund Balance Appropriated - A budgetary amount representing the fund’s equity to be used to offset expenditures. Fund balance appropriated cannot exceed the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year preceding the budget year.

FY - The acronym used for fiscal year

General Accepted Accounting Principles (GAAP) - Uniform minimum standards of, and guidelines for, financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices.

GASB 34 - The acronym used for Governmental Accounting Standards Board Statement #34: “Basic Financial Statements- Management’s Discussion and Analysis - For State and Local Governments”.

GA - The acronym used for the North Carolina General Assembly.

General Fund - The largest fund within the City, the General Fund accounts for most of the financial resources of the government. General Fund revenues include property taxes, licenses and permits, local taxes and other types of revenue. This fund usually includes most of the basic operating services, such as fire and police protection, finance, information technology, public works, general administration, planning and development, engineering, and recreation and cultural activities.

General Ledger - A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

General Obligation Bonds - Bonds that finance a variety of public projects such as streets, buildings, and improvements. Repayment of these bonds is usually made from the General Fund, and the bonds are backed by the full faith and credit of the issuing government.

Budget Glossary



Geographic Information System (GIS) - A project which will link the City to a county-wide database, including hardware, software, and added personnel. This system is to be utilized as a planning tool by City departments.

GFOA - The acronym used for Government Finance Officers Association of the United States and Canada.

Goal - A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless. It is not concerned with a specific achievement in a given time period.

Governmental Funds - There are three groups of funds for which financial statements are prepared-governmental, proprietary, and fiduciary. Proprietary funds are employed to report on activities financed primarily by revenues generated by the activities themselves, such as a utility. Fiduciary funds contain resources held by a government but belonging to individuals or entities other than the government. Governmental funds account for everything else. The City of Hickory has three types of governmental funds:

- General Fund and like funds
- Special Revenue Funds
- Capital Project Funds

Grant - A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block, depending upon the amount of discretion allowed by the grantee.

HPD - The acronym used for Hickory Police Department

Indirect Cost - The component of the total cost for a service that is provided by and budgeted within another department or division. Indirect costs are budgeted to more accurately reflect the true total cost for such services such as those provided by the Administrative Departments.

Interfund Transfers - Amounts transferred from one fund to another.

Intergovernmental Revenue - Revenues from other governments (local, State, Federal) which can be in the form of grants, shared revenues, or entitlement.

Internal Service Fund - A fund which permits the accounting transactions of the activity involved to be isolated and the activity's full costs to be passed on to the departments and agencies that use the service.

Inventory - A detailed listing of property currently held by the government.

Investment Earnings - Revenue earned on investments with a third party. The City uses a pooled cash system, investing the total amount of cash regardless of fund boundaries. The interest earned is then allocated back to individual funds by average cash balance in that fund.

Budget Glossary

ITRE - The acronym used for Institute for Transportation Research and Education

Lease-Purchase Agreement - An agreement that conveys the right to property or equipment for a stated period of time. It allows the City to spread the cost of the acquisition over several budget years.

Levy - To impose taxes, special assessments, or service charges for the support of City activities.

Line Item Budget - A budget that lists each expenditure category (salaries, material, telephone, travel, etc.) separately, along with the dollar amount budgeted for each specified category.

Local Government Budget and Fiscal Control Act - This act governs all financial activities of local Governments within the State of North Carolina.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

MALSR - The acronym used for Medium-Intensity Approach Lighting System with Runway Alignment Indicator Lights.

Maturities - The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

Merit Program - An established system to recognize and financially reward employee performance that exceeds the City's standards for a classification.

Modified Accrual Accounting - The accounting approach under which: 1) revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period; 2) expenditures are recognized in the accounting period in which a fund liability is incurred, and; 3) unmatured principal and interest on general long term debt is recognized when due.

MPO - The acronym used for Metropolitan Planning Organization

NCDOT - The acronym used for North Carolina Department of Transportation.

NCLGPMP - The acronym used for North Carolina Local Government Performance Measurement Project.

Net Position - An accounting term used to describe assets minus liabilities in business type activities. Enterprise funds are used to report those functions presented as business type activities in the financial statements. Net Position may serve, over time, as a useful indicator of a government's financial position. Net Position includes: capital assets, net of related debt; restricted; and unrestricted assets.

NEWWTP - The acronym used for North East Waste Water Treatment Plant

Budget Glossary

Objectives - A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. An objective should imply a specific standard of performance for a given program.

Operating Expenses - The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, materials, and travel.

Operating Transfers - Routine and/or recurring transfers of assets between funds.

Part 1 Offenses - A law enforcement classification for major crimes, including murder, robbery, aggravated assault, etc.

Performance Measures - Descriptions of a program's effectiveness, or efficiency (i.e., response time to public requests, frequency of document updates).

Personnel - General category that includes salaries and wages, pensions, health insurance and other fringe benefits.

Powell Bill Street Allocation - Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

Pro Rata Administrative Reimbursement - A calculated share per department to expend/reimburse for services provided by one fund to another.

Productivity - A measure of the increase of service output of City programs compared to the per unit resource input invested.

Program - An organized set of related work activities that are directed toward accomplishing a common goal. Each City department is usually responsible for a number of related service programs.

Property Tax - Property taxes are levied on both real and personal property according to the property's valuation and tax rate.

Proprietary - A government's continuing business type activities.

P2C - The acronym used for Police to Citizen

Reclassification - Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

Reserve - A portion of fund balance earmarked to indicate what is not available for expenditure, or is legally segregated for a specific future use.

Restricted Intergovernmental Revenues - Grants, entitlements, and shared revenues which are recorded in the appropriate fund and classified both by source and function for which the revenues are to be spent.

Budget Glossary



Resources - Assets that can be used to fund expenditures. These can be such things as property taxes, user fees, beginning fund balance, or working capital.

Restricted Net Position - The portion of Net Position that includes cash and liquid assets that are subject to external restrictions on their use.

Retained Earnings - This is the total of all operating surplus since a fund was established. Only the Enterprise and Internal Service Funds report this figure.

Revaluation - Assignment of value to properties, buildings, vehicles, and equipment used for business and residential purposes by the Catawba County Tax Assessor's Office. Under State law, all property must be revalued no less frequently than once every eight years.

Revenue - Funds which the government receives as income, including tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

Revenue Bonds - Bonds which principal and interest are payable exclusively from earnings of an Enterprise Fund. Such bonds sometimes also contain a mortgage on the fund's property.

Right-of-Way Acquisition - Purchase of property needed by the City to perform road improvement projects and/or protection of right-of-way for future highway projects.

Service Level - Service(s) or product(s) which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

Source of Revenue - Revenues that are classified according to their source or point of origin.

Special Assessment - A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service, which are deemed to primarily benefit those properties.

Special Revenue Fund - A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

Tax Base - The assessed valuation of all taxable real and personal property within the City's corporate limits.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.

Unifour Area - The commonly used term which refers to the four-county area in which Hickory is located. The counties are Alexander, Burke, Caldwell, and Catawba.

Budget Glossary



Unrestricted Net Position – The portion of Net Position that includes cash and liquid assets not subject to external restrictions on their use.

USEPA - The acronym used for United States Environmental Protection Agency

VC3 - The acronym used for the company Visionary Corporate Computing Concepts.

WWTP - The acronym used for Waste Water Treatment Plant

Western Piedmont Council of Governments (WPCOG) - A voluntary association of 27 local governments in the Unifour area of western North Carolina which provides long-range planning and technical assistance, project administration, and grants research on a broad range of issues affecting local government.

